

McCormick & Company, Incorporated - Climate Change 2018

C0. Introduction

C0.1

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

McCormick & Company Inc. is a global leader in flavor. With \$4.8 billion in annual sales, the Company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry - retail outlets, food manufacturers and foodservice businesses. Being among the world's largest flavor companies, we are committed to combatting the effects of climate change by adhering to targets informed by science for the reduction of carbon emissions, energy consumption, waste and water use. We acknowledge our need to play a part in addressing the risks of climate change by seeking to reduce our environmental impacts, in particular those related to GHG emissions, water use, solid waste and packaging carbon footprint. We are supportive of the need for all stakeholders, including government and business, to take steps to reduce the emissions of GHGs within their scope of influence. As such, McCormick would support government action at the international level that facilitates the transitions necessary to minimize the impacts of climate change. This is consistent with our environmental policy which states: "McCormick is committed to the continuous improvement of our environmental performance in our day-to-day business activity and meeting or exceeding the requirements of all applicable environmental laws and regulations. Through management leadership and employee participation, we are committed to reduce the environmental impact of our activities through pollution prevention, promotion of sustainability of the natural resources upon which we depend, while providing quality products that meet the needs of our customers; comply with applicable environmental laws and regulations; and contribute positively to the communities in which we operate." To learn more about our sustainability efforts please go to our website at: <http://www.mccormickcorporation.com/Our-Commitment>

Forward-looking Information Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, earnings, cost savings, acquisitions and brand marketing support, are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of words such as "may," "will," "expect," "should," "anticipate," "intend," "believe" and "plan." These statements may relate to: the expected results of operations of businesses acquired by the company, the expected impact of raw material costs and pricing actions on the company's results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected trends in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions and anticipated charges associated with such plans, the holding period and market risks

associated with financial instruments, the impact of foreign exchange fluctuations, the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing, the ability to issue additional debt or equity securities and expectations regarding purchasing shares of McCormick's common stock under the existing authorizations. These and other forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: damage to the company's reputation or brand name; loss of brand relevance; increased private label use; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; the company's ability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the successful acquisition and integration of new businesses; issues affecting the company's supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; the investment return on retirement plan assets, and the costs associated with pension obligations; foreign currency fluctuations; the stability of credit and capital markets; risks associated with the company's information technology systems, the threat of data breaches and cyber-attacks; volatility in the effective tax rate; impact of climate change on raw materials; and other risks described in the company's filing with the SEC.

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	December 1 2016	November 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
Canada
China

El Salvador
France
India
Italy
Mexico
Poland
Portugal
Singapore
South Africa
Thailand
Turkey
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

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]

	Relevance
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	No

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

McCormick either does not own land or do farming of agricultural raw materials or any such activities are immaterial.

C-AC0.6g/C-FB0.6g/C-PF0.6g

(C-AC0.6g/C-FB0.6g/C-PF0.6g) Why are emissions from the consumption of your products not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

The consumption of our products (black pepper, vanilla etc.) were not judged to be important. This is consistent with a screening that was undertaken for our scope 3 emissions.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Other, please specify (Black Pepper)

% of revenue dependent on this agricultural commodity

Please select

Produced or sourced

Sourced

Please explain

Black Pepper is one of McCormick's five iconic ingredients, and represents the greatest percentage of the herbs and spices portfolio in terms of volume procured annually. The percent revenue for this commodity has not been disclosed because it is considered confidential.

Agricultural commodity

Palm Oil

% of revenue dependent on this agricultural commodity

Please select

Produced or sourced

Sourced

Please explain

The percent revenue for this commodity has not been disclosed because it is considered confidential.

Agricultural commodity

Rice

% of revenue dependent on this agricultural commodity

Please select

Produced or sourced

Sourced

Please explain

The percent revenue for this commodity has not been disclosed because it is considered confidential.

Agricultural commodity

Soy

% of revenue dependent on this agricultural commodity

Please select

Produced or sourced

Sourced

Please explain

The percent revenue for this commodity has not been disclosed because it is considered confidential.

Agricultural commodity

Wheat

% of revenue dependent on this agricultural commodity

Please select

Produced or sourced

Sourced

Please explain

The percent revenue for this commodity has not been disclosed because it is considered confidential.

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
Board Chair	The Board Chair has overall responsibility for climate-related issues because as an agriculturally based company, ensuring McCormick has a resilient supply chain is critical to our long term success and is an integral part our Purpose-led Performance (PLP) journey.
Please select	

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	Our Purpose-led Performance (PLP) initiative is one of our five guiding principles and the basis for our 2025 climate related commitments. A few examples include: solar power projects in Maryland and the purchase of renewable energy.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
	Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	

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
Sustainability committee	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.

The Purpose-led Performance (PLP) Committee reports into the McCormick Management Committee which is the top-level senior management committee. The PLP Committee is responsible for assessing and managing climate related risk and opportunities. These risks have been assigned to this committee because this falls within its scope of the overall PLP program. The committee is responsible for driving progress on climate related issues. For example, McCormick has set a science based target for the company scope 1 and 2 emissions.

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?

Other, please specify (Supply Chain Employees)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

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	1	3	
Medium-term	4	6	
Long-term	7	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	Six-monthly or more frequently	>6 years	The scope of the process is global in nature and applies to all aspects of the business including climate change. The key risks related to climate change include access and use of water, severe weather and disruptions in the supply chain due to weather. The majority of the risk lies within scope 3 of the corporate value chain with tier 2 suppliers, namely the farmers growing the raw materials that are provided to our vendors. These farms are located worldwide, often in developing countries. The frequency of risk monitoring is continuous and the reassessment of the risks are completed at least annually or more frequently as needed. Climate change and severe weather events can greatly impact crop yield of our tier two farmers. McCormick is working to implement sustainability programs within these communities to help farmers become more resilient to climate change. For example we are working to introduce drip irrigation systems to small-holder farmers, decreasing their water needs.

C2.2b

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

(i) Risk/opportunities are assessed at the company level are those risks that 1) expose the Company to significant or catastrophic permanent decline in shareholder value and 2) the risk must be reasonably possible.

(ii) Risks and opportunities are assessed at an asset or facility level where it can impact the overall organization and result in an overall enterprise risk. Additionally McCormick has partnered with an insurance carrier to evaluate weather related and other risks at the asset level and to mitigate those risks where feasible. These risks include but are not limited to potential for flooding, wind damage and structural issues related to heavy snow and rainfall events. Opportunities are being addressed at the asset level through reduction programs for water, electricity, greenhouse gases and solid waste. (iv) A risk assessment methodology is used which includes but is not limited to the following factors: Damage to our reputation or brand name Consolidation of customers, Procurement of raw materials, Competition Laws and regulations Disasters, business interruptions or similar events.

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	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Emerging regulation	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Technology	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

	Relevance & inclusion	Please explain
Legal	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Market	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Reputation	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Acute physical	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Chronic physical	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Upstream	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes
Downstream	Relevant, always included	Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2d

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

(i) Risk/opportunities are assessed at the company level are those risks that 1) expose the Company to significant or catastrophic permanent decline in shareholder value and 2) the risk must be reasonably possible.

(ii) Risks and opportunities are assessed at an asset or facility level where it can impact the overall organization and result in an overall enterprise risk. Additionally McCormick has partnered with an insurance carrier to evaluate weather related and other risks at the asset level and to mitigate those risks where feasible. These risks include but are not limited to potential for flooding, wind damage and structural issues related to heavy snow and rainfall events. Opportunities are being addressed at the asset level through reduction programs for water, electricity, greenhouse gases and solid waste.

(iii) A risk assessment methodology is used which includes but is not limited to the following factors: Damage to our reputation or brand name, Consolidation of customers, Procurement of raw materials, Competition Laws and regulations Disasters, business interruptions or similar events. The risks are prioritized based on the scoring they receive by the risk assessment methodology which considers risks related to climate change for example severe weather. Visits are made to the growing regions for key commodities and opportunities identified by the sustainability team. A number of criteria are used to assess which opportunities should be implemented first, including cost, impact on the business, strategic partnerships etc.

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?

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

Tropical cyclones and floods can and have impacted the origin countries of our raw agricultural materials. For example in March 2017, Cyclone Enawo hit the east coast of Madagascar directly impacting the farming communities from which McCormick source vanilla. Likewise in 2004 a hurricane impacted Grenada and destroyed approximately 75% of the nutmeg trees.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

Weather impact generally depends on severity, region, concentration and product mix. Overall spend impact range of approximately 5% - 20%.

Management method

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients. To date we have partnered in training approximately 8,500 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to

extreme weather conditions. See our 2017 Purpose-Led Performance Report for more details:

https://d1doqjmisr497k.cloudfront.net/-/media/corporate/media-section/files/PLP_2017_Report_US_English_5_25_18_UPDATED.pdf

Cost of management

11500000

Comment

Cost period: 2016-2018

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Supply chain

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

Company- specific description

Changes in precipitation patterns impact the growing conditions of our agricultural raw materials. Too much or too little rain at certain times in the crop cycle can affect both the quality and quantity of the product. Excessive rain during harvest could also inhibit the farmer's ability to reap the crop. For example, excessive rain and/or wind during the flowering phase of the black pepper cycle can hinder the plants ability to pollinate, thus producing less berries.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

High

Potential financial impact

Explanation of financial impact

Weather impact generally depends on severity, region, concentration and product mix. Overall spend impact range of approximately 5% - 20%.

Management method

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients. To date we have partnered in training approximately 8,500 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to unpredictable weather conditions. See our 2017 Purpose-Led Performance Report for more details:

https://d1doqjmisr497k.cloudfront.net/-/media/corporate/media-section/files/PLP_2017_Report_US_English_5_25_18_UPDATED.pdf

Cost of management

11500000

Comment

Cost period: 2016-2018

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?

Supply Chain

Opportunity type

Resilience

Primary climate-related opportunity driver

Other

Type of financial impact driver

Increased reliability of supply chain and ability to operate under various conditions

Company- specific description

McCormick's supply chain includes agricultural products sourced from over 80 countries, many of which are vulnerable to climate change. For example, Black Pepper is currently procured from various countries, including Vietnam, Brazil, Indonesia and India. In 2017 McCormick launched their Purpose-Led Performance (PLP) strategy, which included the goal of increasing the resilience of 90% of smallholder farmers that grow our iconic herbs and spices by 2025. See our 2017 Purpose-Led Performance Report for more details: https://d1doqjmisr497k.cloudfront.net/-/media/corporate/media-section/files/PLP_2017_Report_US_English_5_25_18_UPDATED.pdf

Time horizon

Current

Likelihood

Very likely

Magnitude of impact

Medium

Potential financial impact

11500000

Explanation of financial impact

Cost period: 2016-2018

Strategy to realize opportunity

McCormick is working with suppliers and other stakeholders to identify and create projects that will increase the resilience of small holder farmers in our supply chain. We are working towards implementing Rainforest Alliance certification across the five iconics, which actively promotes Climate Smart Agriculture (CSA) through the Sustainable Agriculture standard. According to the Food and Agriculture Organization of the United Nations, "CSA aims to tackle three main objectives: sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible." In 2018, RFA certification was awarded to a number of farms in India, Madagascar and Vietnam from which we source our iconic ingredients. Our goal is for all farms growing our branded iconics to be RFA certified or equivalent by 2025.

Cost to realize opportunity

Comment

Poor resiliency impact usually comes via a lack of Good Agricultural Practices (GAP), water input and crop protection management. Impact is usually felt in terms of yield loss, poor quality and appearance and disease. Dollar cost could range from \$3.5m - \$5m.

C2.5

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

	Impact	Description
Products and services	Impacted	Extreme and/or changing weather events affect suppliers and/or farmers in the countries in which they occur. Sourcing raw agricultural products from multiple origins where possible reduces the impact of weather events on the supply chain.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Extreme and/or changing weather events affect suppliers and/or farmers in the countries in which they occur. Sourcing raw agricultural products from multiple origins where possible reduces the impact of weather events on the supply chain.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	Extreme and/or changing weather events affect suppliers and/or farmers in the countries in which they occur. Sourcing raw agricultural products from multiple origins where possible reduces the impact of weather events on the supply chain.
Investment in R&D	Not impacted	
Operations	Impacted	Extreme and/or changing weather events affect suppliers and/or farmers in the countries in which they occur. Sourcing raw agricultural products from multiple origins where possible reduces the impact of weather events on the supply chain.
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	Please select	
Operating costs	Please select	
Capital expenditures / capital allocation	Impacted	Capital for facility efficiency improvements (LED Lighting etc.) are included in the annual budget.
Acquisitions and divestments	We have not identified any risks or opportunities	
Access to capital	Please select	

	Relevance	Description
Assets	Please select	
Liabilities	Please select	
Other	Impacted for some suppliers, facilities, or product lines	McCormick allocate a budget annually for Farmer Support Programs (FSPs) that involve GAP training and assist farmers in achieving Rainforest Alliance certification. Currently the focus is on the five iconic ingredients. More information is available in our Purpose-Led Performance report: https://d1doqjmisr497k.cloudfront.net/-/media/corporate/media-section/files/PLP_2017_Report_US_English_5_25_18_UPDATED.pdf

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?

Yes, qualitative

C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b)

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.

In development, we plan to complete it within the next 2 years

C3.1c

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

(i) McCormick has assessed our sustainability strategy which includes the impacts from climate change. As part of this assessment McCormick has determined the material topics for sustainability. Top business leaders were charged to be responsible for key material topics, develop goals for improvements and ensure this is included in our multi year strategic planning process.(ii) The aspects which have influenced strategy related to climate change are the need for adaptation and opportunities to develop a more sustainable business. This includes joint ventures with our Tier 1 vendors and Tier 2 farmers

to implement initiatives that improve farmers’ resilience to climate change and reduce their carbon footprint. These initiatives include: the introduction of Rain Forest Alliance certification to farmers which encourages more shade tree cover for black pepper cultivation; providing knowledge and tools to help raise production, decreasing the need for slash and burn agriculture; distributing seedlings to promote reforestation; training farmers on the use of agrochemicals and fertilizers, thus reducing their consumption and reducing greenhouse gases inadvertently admitted through production. (vii) Over the years we have proactively engaged with a broad range of external stakeholders to help define our sustainability & climate change strategies. Since 2016 we have engaged in a formal partnership with the World Wildlife Fund (WWF) and Care International to help define our long term sustainability strategy, including climate change. (iii) The short term strategy that has been impacted by McCormick developing targets to reduce natural resource usage at our manufacturing and distribution centers. McCormick has had in place since 2005 a reduction program for water, energy and solid waste. (iv) McCormick where possible sources raw materials from multiple suppliers and geographies. For example McCormick sources black pepper from countries such as India, Indonesia, Brazil and Vietnam. McCormick has also developed disaster recovery plans for our facilities in the event of severe weather or other emergencies.(v) By strengthening our supply chain McCormick can continue to offer a more consistent, lower cost supply of high quality products.(vi) The most substantial business decisions made relate to adaptation of our agricultural supply chain.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
Other, please specify (WWF Supply Risk Analysis (SRAs))	<p>McCormick is involved in the global trade of agricultural products and need to be aware of the changing environment – both natural and business – and the impacts and risks this could have on our supply chains. This is particularly true as McCormick relies on these commodities as main inputs for our goods or services. Awareness of the risks associated with our iconic raw materials enables business strategy decisions or changes that reduces possible future negative impacts. A risk matrix provides a method to compare and quantify risks as it allows for quantitative comparison across materials and/or geographical regions. The risk score increases as the probability of occurrence and severity of impact increase. Thus, a higher score on the matrix implies a higher probability of occurrence and severity of impact. Conventional risk models that evaluate supply risk only from a financial perspective are incomplete as they do not necessarily account for public policy concerns, such as the Lacey Act and the EU’s Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, or environmental and social externalities such as the potential impacts of climate change, water stress, biodiversity loss, corruption, impacts to indigenous groups and other criteria that businesses should consider. This methodology is intended to address these omissions and to create a standardized assessment of the most critical risks McCormick faces. METHODOLOGY - The Supply Risk Analysis-Specialized (SRA-s) is an analytical framework developed by WWF that can be used to evaluate risks and potential impacts associated with the production of agricultural commodities sourced or financed by companies. The methodology, based on ‘systems thinking’ and with a holistic approach, reveals the greatest sourcing risks in a defined geographical area. By having standard criteria that can be applied to multiple commodities and geographies, WWF provides a consistent analytical output for the variety of environment types we engage. Furthermore, the SRA-S approach allows for comparative analysis across and between materials and geographies, which is instrumental</p>

Climate-related scenarios	Details
	<p>to long term business strategy setting and the prioritization of action on key challenges. Narrowing the focus on key challenges increases the probability of achieving effective decision-making in risk management. These analysis are used to for long term Iconic Raw Material strategy development with selection / diversification of origins as well as plans to control & integrate further upstream to support good environmental stewardship at the farm level and build supply resilience. A business case is then prepared for action, reviewed, budgeted for and partners (NGOs, supply..etc) engaged for execution collaboration. Naturally, depending on the material, origin or environmental activity in play, horizon on these types of initiatives can span anywhere from 1 - 10+ years. McCormick devotes a lot of resource to net yield improvement initiatives which brings a myriad of benefits in the form of livelihoods improvement, resilience, reduced deforestation, water conservation..etc. Perhaps more importantly, most of McCormick's iconic spices are perennials, with life spans in some cases well beyond 15 years before replacement is considered.</p>
Please select	

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

99

% reduction from base year

20

Base year

2015

Start year

2017

Base year emissions covered by target (metric tons CO2e)

124461

Target year

2025

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)

0

Target status

Underway

Please explain

This is a new goal which was announced in October of 2017. We plan on having our emission goals approved by the SBTi later this year.

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	26	
To be implemented*	29	
Implementation commenced*	26	

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented*	18	2989
Not to be implemented	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)

416

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

81623

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

360647

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

1155

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

178444

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

788000

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

132

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

33177

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

244897

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

HVAC

Estimated annual CO2e savings (metric tonnes CO2e)

53

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

6000

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

20000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)

28

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

2430

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

10000

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

231

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

20788

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

26966

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

614

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

56234

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

49419

Payback period

<1 year

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

22

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

1595

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

9439

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Processes

Description of activity

Refrigeration

Estimated annual CO2e savings (metric tonnes CO2e)

84

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

10600

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

71000

Payback period

4 - 10 years

Estimated lifetime of the initiative

6-10 years

Comment

Activity type

Energy efficiency: Building fabric

Description of activity

Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

40

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

6000

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

10000

Payback period

1-3 years

Estimated lifetime of the initiative

1-2 years

Comment

Activity type

Energy efficiency: Processes

Description of activity

Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

26

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

4126

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

2698

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

66

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

1949

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

6124

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Activity type

Energy efficiency: Building fabric

Description of activity

Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

7

Scope

Scope 1

Voluntary/Mandatory

Voluntary

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

1852

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

844

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Activity type

Energy efficiency: Processes

Description of activity

Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

64

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Please select

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

8000

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

2000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

5

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

25000

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

84000

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

4

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

16000

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

32000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Activity type

Energy efficiency: Processes

Description of activity

Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

21

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

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

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Activity type

Low-carbon energy purchase

Description of activity

Please select

Estimated annual CO2e savings (metric tonnes CO2e)

22

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

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

Payback period

Please select

Estimated lifetime of the initiative

16-20 years

Comment

C4.3c

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

Method	Comment
Employee engagement	McCormick is implementing it's Journey to Excellence program which includes Total Productive Maintenance (TPM) and High Performance Organization (HPO). HPO is a tool which drives high employee engagement.
Internal incentives/recognition programs	McCormick has set a combined scope 1 and 2 emissions reduction goal and included this in the overall company objectives program which is tied to compensation.

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

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

27949

Comment

McCormick does not have a separate scope 1 and scope 2 emission reduction goals. McCormick has a combined scope 1 &2 (market based) goal of a 20% absolute reduction goal by 2025.

Scope 2 (location-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

86298

Comment

McCormick does not have a separate scope 1 and scope 2 emission reduction goals. McCormick has a combined scope 1 and 2 (market based) goal of a 20% absolute reduction goal by 2025.

Scope 2 (market-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

96512

Comment

McCormick does not have a separate scope 1 and scope 2 emission reduction goals. McCormick has a combined scope 1 and 2 (market based) goal of a 20% absolute reduction goal by 2025.

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)

27949

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

McCormick is reporting both approaches but will use the market-based approach for determining progress on our combined scope 1 and 2 emission goal.

C6.3

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

Row 1

Scope 2, location-based

89047

Scope 2, market-based (if applicable)

98700

End-year of reporting period

<Not Applicable>

Comment

McCormick is reporting both approaches but will use the market-based approach for determining progress on our combined scope 1 and 2 emission goal.

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

Small fossil fuel fired equipment such as emergency power generators.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

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

Emissions are not relevant

Explain why the source is excluded

A consultant was hired to develop McCormick's science based greenhouse gas goal in accordance with the GHG Protocol. They reviewed relevant sources and determined that this was not significant.

Source

HVAC equipment

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

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

No emissions excluded

Explain why the source is excluded

A consultant was hired to develop McCormick's science based greenhouse gas goal in accordance with the GHG Protocol. They reviewed relevant sources and determined they were not significant.

Source

Facilities which used less than 350,000 kwh of electricity per year.

Relevance of Scope 1 emissions from this source

No emissions excluded

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

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

Emissions are not relevant

Explain why the source is excluded

A consultant was hired to develop McCormick's science based greenhouse gas goal in accordance with the GHG Protocol. They reviewed relevant sources and calculated that a facility which used less than 350,000 kwh per year would emit less than 0.25% of McCormick's total greenhouse gas emissions. The number of excluded facilities is also quite low.

Source

Company owned mobile sources such as automobiles.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

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

No emissions excluded

Explain why the source is excluded

A consultant was hired to develop McCormick's science based greenhouse gas goal in accordance with the GHG Protocol. They reviewed relevant sources and determined they were not significant.

C6.5

(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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Capital goods

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

Explanation

Waste generated in operations

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Business travel

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Employee commuting

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be not relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Use 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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

End of life treatment of sold products

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

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

Explanation

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

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

McCormick does not have any 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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Other (upstream)

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

Other (downstream)

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

McCormick has conducted a scope 3 emissions screening by a consultant in accordance with the GHG Protocol. This category was judged to not be relevant. We plan on conducting a scope 3 emissions determination later in 2018.

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you breakdown your Scope 3 emissions by relevant business activity areas?

No

C-AC6.6b/C-FB6.6b/C-PF6.6b

(C-AC6.6b/C-FB6.6b/C-PF6.6b) Why can you not report your Scope 3 emissions by business activity area?

Row 1

Primary reason

We are planning to include in the next two years

Please explain

McCormick is planning on conducting a scope 3 emissions determination in accordance with the GHG Protocol later in the year.

C6.7

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

No

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Other (Black Pepper)

Do you collect or calculate GHG emissions for this commodity?

No, not currently but intend to collect or calculate this data within the next two years

Please explain

McCormick is planning on conducting a scope 3 emissions determination in accordance with the GHG Protocol later in the year.

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

0.0000263

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

127173

Metric denominator

unit total revenue

Metric denominator: Unit total

4834100000

Scope 2 figure used

Market-based

% change from previous year

25

Direction of change

Increased

Reason for change

The acquisition of French's Food Company impacted the results. The full FY2017 greenhouse gas emission have been included but the full revenue was not included since the change occurred mid year. The greenhouse gas data was included even though

French's was not owned the entire year to keep the future comparisons on the same basis. McCormick's baseline year for our greenhouse gas objectives includes all of our previous acquisitions since FY2015.

Intensity figure

0.12

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

127173

Metric denominator

metric ton of product

Metric denominator: Unit total

1051551

Scope 2 figure used

Market-based

% change from previous year

0

Direction of change

No change

Reason for change

This includes the greenhouse gas emissions and production data from any acquisitions in FY2017.

C7. Emissions breakdowns

C7.1

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

No

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	482

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	1512
China	3122
El Salvador	31
France	565
India	77
Italy	1543
Mexico	61
Poland	989
Singapore	178
Thailand	38
Turkey	148
United Kingdom of Great Britain and Northern Ireland	1745
United States of America	17983

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)
Americas	19558
Europe, Middle East, Africa	4990
China	3122
Asia Pacific	774

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

28473

Methodology

Other, please specify (GHG Protocol (same as C5.2))

Please explain

McCormick does not own land for agricultural purposes or do farming or any such activities are immaterial. We also do not own any transportation fleets for distribution. The Scope 1 emissions reported here are identical to what is reported in section C 6.4. Any emissions from distribution or farming of agricultural raw materials are scope 3 emissions.

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)
Australia	6536	6536	8659	0
Canada	1352	403	8942	0

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)
China	11267	11267	22457	224
El Salvador	305	305	1148	0
France	544	544	11750	0
India	406	406	526	0
Italy	2546	3458	7436	0
Mexico	860	860	1870	0
Poland	3833	4468	5249	0
Portugal	84	70	243	0
Singapore	540	540	1241	0
Thailand	664	664	1300	0
Turkey	703	703	1595	0
United Kingdom of Great Britain and Northern Ireland	4367	4891	12523	0
United States of America	54160	62706	105173	789
South Africa	880	880	889	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)
Americas	56677	64273
Europe, Middle East, Africa	12958	15015
China	11267	11267
Asia Pacific	8146	8146

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change		
Other emissions reduction activities	2989	Decreased	2	This was estimated based on FY2017 emission reduction projects listed in section C4.3b as compared to the total FY2017 greenhouse gas emissions.
Divestment	0	No change		There were no applicable divestments.
Acquisitions	32526	Increased	26	This was estimated based on the greenhouse gases from the acquisitions as compared to the total FY2017 greenhouse gas emissions.
Mergers	0	Please select		There were no mergers.
Change in output	6000	Increased	5.2	This was estimated based on the actual increase in production from FY2016 to FY2017 and using an internal greenhouse gas emission factor.
Change in methodology	0	Please select		
Change in boundary	0	Please select		

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Market-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	Yes

	Indicate whether your organization undertakes this energy-related activity
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	159106	159106
Consumption of purchased or acquired electricity	<Not Applicable>	1013	182619	183632
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	7368	7368
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>	1013	349093	350106

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

C8.2c

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

Fuels (excluding feedstocks)

Burning Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

783

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

157647

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

522

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

154

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

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

Burning Oil

Emission factor

2.7

Unit

kg CO2e per liter

Emission factor source

GHG Protocol: Emission factors from cross sector tools. The value takes into account the three GHG gasses: CO2, CH4 and N2O

Comment**Liquefied Natural Gas (LNG)****Emission factor**

1.2

Unit

kg CO2e per liter

Emission factor source

DEFRA 2016 update, Fuels and Gaseous fuels

Comment**Liquefied Petroleum Gas (LPG)****Emission factor**

2992

Unit

kg CO2e per metric ton

Emission factor source

GHG Protocol: Emission factors from cross sector tools. The value takes into account the three GHG gasses: CO2, CH4 and N2O

Comment**Natural Gas****Emission factor**

1.9

Unit

kg CO2e per m3

Emission factor source

GHG Protocol: Emission factors from cross sector tools. The value takes into account the three GHG gasses: CO2, CH4 and N2O

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

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Solar PV

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

789

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

0

Comment

Basis for applying a low-carbon emission factor

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Solar PV

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

224

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

0

Comment

C9. Additional metrics

C9.1

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

Description

Please select

Metric value

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change

<Not Applicable>

Please explain

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No 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)?

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

C11.2

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

No

C11.3

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

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

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers

C12.1a

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

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify (Funding farm-level initiatives)

% of suppliers by number

1

% total procurement spend (direct and indirect)

13.5

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We are continuing to work on and fund a number of sustainability initiatives with our suppliers and other strategic partners to implement better agricultural practices of our Tier 2 farmers. These include farmer training and education, increasing the awareness and uptake of certification particularly Rainforest Alliance (RFA), working with Government and Centers of Education in research and development and introducing technology to efficiently manage crop cultivation.

Impact of engagement, including measures of success

Training farmers to implement SAN standards to diminish the farm's emissions of greenhouse gases and increase carbon dioxide sequestration. Such practices include soil cover management, planting trees and other perennial vegetation, proper sourcing and management of fertilizers and fuels, management of effluent ponds and manure, proper waste management, use of clean technologies, improvement of energy efficiency, reduction in tillage, and participation in local or regional initiatives

aimed at greenhouse gas reduction and carbon dioxide sequestration. Farms will be audited by Rainforest Alliance and success will be measured by the awarding to the farm of certification.

Comment

C12.1b

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

Type of engagement

Collaboration & innovation

Details of engagement

Other – please provide information in column 5

Size of engagement

% Scope 3 emissions as reported in C6.5

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

These represent our major retail customers and partners which is an integral part of our sustainability engagement.

Impact of engagement, including measures of success

Improved customer intimacy, improved trust and business loyalty.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

McCormick's Purpose-Led Performance (PLP) strategy mandates that 100% of branded iconic ingredients are sustainably sourced by 2025. To meet this target, we are working with suppliers towards the implementation of Rainforest Alliance (RFA) certification at farm level. RFA standards require that all existing natural ecosystems, both aquatic and terrestrial, must be identified, protected and restored through a conservation program. The program must include the restoration of natural ecosystems or the reforestation of areas within the farm that are unsuitable for agriculture.

Your role in the implementation

Financial

Procurement

Explanation of how you encourage implementation

McCormick have provided upfront financial assistance for the implementation of RFA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit

Increasing resilience to climate change (adaptation)

Increase carbon sink (mitigation)

Comment

Management practice reference number

MP2

Management practice

Integrated pest management

Description of management practice

McCormick's Purpose-Led Performance (PLP) strategy mandates that 100% of branded iconic ingredients are sustainably sourced by 2025. To meet this target, we are working with suppliers towards the implementation of Rainforest Alliance (RFA) certification at farm level. RFA standards require that the farm have an integrated pest-management program based on ecological principles for the control of harmful pests. The program must include activities for monitoring pest populations, training personnel that monitor these populations, and integrated pest management techniques.

Your role in the implementation

Financial

Procurement

Explanation of how you encourage implementation

McCormick have provided upfront financial assistance for the implementation of RFA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit

Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP3

Management practice

Waste management

Description of management practice

McCormick's Purpose-Led Performance (PLP) strategy mandates that 100% of branded iconic ingredients are sustainably sourced by 2025. To meet this target, we are working with suppliers towards the implementation of Rainforest Alliance (RFA) certification at farm level. RFA standards require that the farm have an integrated waste management program for the waste products it generates. This must be based on the concepts of refusing or reducing the use of products that have actual or potential negative impacts on the environment or human health as well as reusing and recycling waste. As part of this program, the sources and types of waste must be identified and the quantity (weight or volume) must be estimated. The activities of the integrated waste management program must be in accordance with the types and quantities of waste generated.

Your role in the implementation

Financial

Procurement

Explanation of how you encourage implementation

McCormick have provided upfront financial assistance for the implementation of RFA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP4

Management practice

Reducing energy use

Description of management practice

McCormick's Purpose-Led Performance (PLP) strategy mandates that 100% of branded iconic ingredients are sustainably sourced by 2025. To meet this target, we are working with suppliers towards the implementation of Rainforest Alliance (RFA) certification at farm level. RFA standards require that the farm must annually describe its energy sources and the amount of energy used from each source for production processes, transport and domestic use within the farm limits. The farm must have an energy efficiency plan with goals and implementation activities for increased efficiency, for reducing dependency on non-renewable sources and for increasing the use of renewable energy. Where appropriate, the use of on-farm energy sources must be preferred.

Your role in the implementation

Financial

Procurement

Explanation of how you encourage implementation

McCormick have provided upfront financial assistance for the implementation of RFA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit

Emissions reductions (mitigation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

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?

No

C12.3g

(C12.3g) Why do you not engage with policy makers on climate-related issues?

McCormick believes that our statements on climate change in our 2017 Purpose-lead Performance Report (<http://www.mccormickcorporation.com/public/CORP/files/purpose-led-performance.pdf>) are the most effective way to

advocate our position based on the scale and scope of our company. We do not find that engagement through trade associations to be effective.

We focus any direct engagement with policy makers directly on issues that directly affect McCormick in a unique manner. Trade associations in which we participate are generally industry focused and engage in policy development within that limited scope.

C12.4

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

In voluntary sustainability report

Status

Complete

Attach the document

[Final PLP Report October 5 2017.pdf](#)

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Description of impacts

The implementation of Rainforest Alliance Sustainable Agriculture standards helps to protect biodiversity, conserve natural resources, reduce climate change and offer economic opportunities to populations in need. McCormick are working towards implementing the standard across the five iconics (Black Pepper, Red Pepper, Cinnamon, Vanilla, Oregano), with the target of the branded raw materials being 100% sustainably sourced by 2025.

Have any response to these impacts been implemented?

No

Description of the response(s)

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Water

Yield

Description of impacts

The implementation of Rainforest Alliance Sustainable Agriculture standards helps to protect biodiversity, conserve natural resources, reduce climate change and offer economic opportunities to populations in need. McCormick are working towards implementing the standard across the five iconics (Black Pepper, Red Pepper, Cinnamon, Vanilla, Oregano), with the target of the branded raw materials being 100% sustainably sourced by 2025.

Have any response to these impacts been implemented?

No

Description of the response(s)

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	Vice President Global Supply Chain	Chief Operating Officer (COO)