



McCORMICK & COMPANY
**PURPOSE-LED
 PERFORMANCE**
 2019 PROGRESS REPORT



REPORT UPDATED ON OCTOBER 11, 2021

FLAVORING A BETTER TOMORROW



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To Our Stakeholders

In today's rapidly changing world, McCormick remains firmly committed to improving the lives of people, communities where we live, work and source, and helping our planet. Across our 130-year history, delivering top tier financial results while doing what's right remains a top priority for our company. I am pleased with our progress against our 2025 goals and I hope you enjoy learning more about our performance over the last 2 years.

Since the release of our 2017 report, we've become a much larger company with the acquisition of the Frank's and French's brands. Even with our larger size, we remain committed and we're making progress towards reducing our overall environmental impact. As a global leader in our Industry, we've announced new goals in several important areas. First, we signed onto the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, where we, along with other companies, have pledged to eliminate single-use plastics in our supply chain. Secondly, we set a new industry-leading goal to reduce our Scope 3 greenhouse gas emissions by 16% by 2030, which was validated by the Science Based Targets Initiative (SBTi).

We've earned recognition from organizations like DiversityInc Top 50 for our progress in Diversity & Inclusion, Barron's Magazine for Sustainability, and Corporate Knights, who recently recognized McCormick as the world's 22nd most Sustainable Company in 2020 and #1 in the Food Products Industry for the 4th year in a row. We were also named one of America's Top 5 Most Reputable Companies by Forbes Magazine.

The 2019 Purpose Led Performance Report will provide important insights into our progress and I hope you'll find it informative. I'd like to call out a few of our important achievements. We've made significant progress against our initiatives to Champion Equality. We've increased diversity for women globally and ethnically diverse U.S. talent in leadership positions throughout our organization, including our Board of Directors. To improve better health outcomes, we've increased our McCormick Science Institute public research citations on the health benefits of herbs and spices by over 50% and a significant percentage of our global products now include health & wellness and quality information as well as important facts to help improve transparency.

Improving Farmer livelihoods is a major priority for McCormick. Through our partnerships with NGO's and other governmental agencies, we're working with almost 16,000 farmers across the globe who grow our raw materials to increase their resilience, providing them with essential agricultural training, technology and financing support to help them thrive.

With the help of our partners and the global farmers who grow our iconic ingredients, we have made significant progress in sustainably sourcing our key raw materials. To underscore our commitment in this area, we've introduced Grown for Good, McCormick's sustainable sourcing framework and the first ever sustainability certification program in the Herbs & Spice Industry.

At McCormick we know that our sustainability journey is never complete. Greenhouse gas emissions and water use are two areas requiring improved performance. To offset our greenhouse gas emissions, we've announced a new partnership with the Skipjack Solar Center to provide renewable energy to power 100% of our Maryland and New Jersey facilities. This new agreement will put us on track to meet our greenhouse gas reduction by 2025. While McCormick is not a major user of water globally, we are now partnering with third party experts to identify opportunities to reduce our water use at targeted facilities around the world.

While the 2025 goals we've set give us important targets to work toward, we know that our sustainability journey is ongoing. We remain committed to doing well while doing good. This important work wouldn't be possible without the talent and dedication of our nearly 12,000 employees around the world that keep McCormick a great place to work.

I'd like to invite you to read more about our Purpose Led Performance journey. Thank you for taking the time to listen to our story.



Lawrence Kurzius
Chairman, President and CEO
McCormick & Company, Inc.



LAUNCH VIDEO



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OUR PURPOSE-LED PERFORMANCE
Approach

McCormick's Purpose-led Performance approach is two-fold: we're delivering industry-leading financial performance while doing what's right for people, communities, and the planet we share. Through our initiatives, we're committed to creating a healthier planet with healthier people.



A CLOSER LOOK AT OUR 2025 GOALS
PEOPLE
COMMUNITIES
PLANET



A Closer Look at Our 2025 Goals

Our 2017 PLP report introduced a series of commitments and clear performance targets for 2025, informed by the United Nations Sustainable Development Goals (SDGs).



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People

The cornerstone of McCormick's approach is helping people live better lives. We champion diversity and inclusion and are committed to the education, development, and wellbeing of our employees, while working to create better health outcomes.



Commitments	United Nations SDGs	Our 2025 Goals*
Champion equality	5 (Gender Equality)	<ul style="list-style-type: none"> • 50% of Women in leadership positions globally • 30% of Ethnically Diverse Talent (EDT) in leadership positions in the U.S. • 30% Employee participation in Ambassador Groups globally
	10 (Reduced Inequalities)	
Educate and develop Employees	3 (Good Health and Well-Being)	<ul style="list-style-type: none"> • 95% of all Employees globally with active development goals in the HR system
	4 (Quality Education)	
	5 (Gender Equality)	
Drive better health outcomes	10 (Reduced Inequalities)	<ul style="list-style-type: none"> • 50% increase in number of McCormick Science Institute citations in professional literature • 80% of employees participating in voluntary health & well-being programs globally • 90% of products with improved transparency (non-GMO, BPA-free, Organic, other)
	3 (Good Health and Well-Being)	
	4 (Quality Education)	
	12 (Responsible Consumption and Production)	

*Please note that the baseline year for all goals is 2015 unless otherwise noted.



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Communities

The communities where we live, work and source are the bedrock of our operational success. We are dedicated to improving lives across our supply chain, whether it's helping farming communities build and adapt to change or encouraging our employees to get involved to make our world a better place through charitable giving efforts and volunteerism.

Commitments	United Nations SDGs	Our 2025 Goals*
Increase resilience and improve livelihoods of communities & small farmers—especially Women	15 (Life on the Land)	<ul style="list-style-type: none"> • Increase resilience of 90% of smallholder farmers that grow our key iconic herbs and spices, as measured by increasing skills and capacity, income, access to financial services, education, and nutrition and health
	12 (Responsible Consumption and Production)	
	10 (Reduced Inequalities)	
	8 (Decent Work and Economic Growth)	
	5 (Gender Equality)	
	1 (No Poverty)	
Increase Employee volunteering and giving through corporate programs	2 (Zero Hunger)	<ul style="list-style-type: none"> • 80% of employees participating in Charity Day globally
	3 (Good Health and Well-Being)	

Planet

We are committed to lessening the effects of climate change by adhering to Science Based Targets that help reduce our carbon emissions, energy consumption, waste, and water use. To achieve these goals, we've increased the use of renewable energy, invested in improved technologies and are in the process of embedding sustainable practices across the enterprise.

Commitments	United Nations SDGs	Our 2025 Goals*
Increase use of branded, sustainably grown herbs & spices	12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> • Source all herbs and spices in our portfolio sustainably, beginning with 100% of our branded iconic ingredients
Reduce GHG emissions	13 (Climate Action)	<ul style="list-style-type: none"> • 20% absolute reduction in greenhouse gas emissions (Scope 1 & Scope 2) from our facilities • 16% absolute reduction in greenhouse gas emissions (Scope 3)**
	7 (Affordable and Clean Energy)	
	11 (Sustainable Cities and Communities)	
Reduce water use	6 (Clean Water and Sanitation)	<ul style="list-style-type: none"> • 20% reduction in water use from our facilities†
Solid waste recycling	12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> • 80% recycling and recovery of solid waste from our facilities
Reduce packaging carbon footprint through the life cycle	13 (Climate Action)	<ul style="list-style-type: none"> • 25% reduction in carbon footprint from packaging • 100% circular plastics packaging

*Please note that the baseline year for all goals is 2015 unless otherwise noted.
 **2017 is the baseline year for this goal, which is to be met by 2030.
 †Adjusted for product mix effects and production volume.



Awards & Recognition

We're proud to be recognized for our contributions to sustainability across our industry and beyond, but we know we can continue to increase our impact. We don't embed purpose-led performance throughout our business to garner awards, we do it to positively impact society and to successfully drive our global business.



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6th MOST SUSTAINABLE COMPANY

Corporate Knights ranked McCormick the world's 6th most sustainable corporation on its 2021 Global 100 Sustainability Index. McCormick was also selected as the Most Sustainable In Package and Processed Foods and Ingredients.



1st MOST SUSTAINABLE IN PACKAGE AND PROCESSED FOODS AND INGREDIENTS

Barron's ranked McCormick the 56th most sustainable company on its 2021 "100 Most Sustainable Companies" list.



56th MOST SUSTAINABLE COMPANY

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OUR COMMITMENT TO People

McCormick believes in the Power of People - our employees and consumers across the world. Our high performance culture is rooted in our shared values and the respect for all contributions of every employee. Every day, McCormick flavors come to life through the diversity of our people, ideas, brands, and geographies. Globally, we promote the health benefits of herbs and spices to reduce salt, sugar, and fat intake to create healthy diets and better lives. Throughout our business, we champion equality, advocating parity for women and under-represented groups as we work to create ethical, safe, and supportive workplaces where our employees thrive.



- DIVERSITY & INCLUSION
- CHAMPIONING EQUALITY
- EMPLOYEE ENGAGEMENT
- EMPOWERING WOMEN
- DISCRIMINATION &
HARASSMENT PREVENTION
- TRAINING & DEVELOPMENT
- HEALTH & WELLNESS
- ETHICS & TRANSPARENCY



Goals



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Commitments	United Nations SDGs	2025 Goals*	Progress Toward 2025 Goals**
Champion equality	5 (Gender Equality)	50% women in senior leadership positions globally	Managers, Senior Managers, Directors, Senior Directors, Vice Presidents, etc.: 2018: 48% 2019: 49% Directors, Senior Directors, Vice Presidents, etc.: 2018: 39% 2019: 40%
	10 (Reduced Inequalities)	30% ethnically diverse talent (EDT) in senior leadership positions in the U.S.	Managers, Senior Managers, Directors, Senior Directors, Vice Presidents, etc.: 2018: 23% 2019: 24% Directors, Senior Directors, Vice Presidents, etc.: 2018: 20% 2019: 23%
		30% employee participation in Ambassador Groups globally	2018: 12% 2019: 13%
Educate & develop employees	3 (Good Health and Well-Being)	95% of all employees globally with active development goals	A new global HR system to track our progress against our 95% goal will come online in 2021.
	4 (Quality Education)		
	5 (Gender Equality)		
	10 (Reduced Inequalities)		
Drive better health outcomes	3 (Good Health and Well-Being)	80% of employees participating in voluntary health and well-being programs globally	We are redefining our approach to have a formal global structure and strategy in place by 2022.
	4 (Quality Education)	50% increase in number of McCormick Science Institute citations in professional literature	2018: 36% 2019: 69%
	12 (Responsible Consumption & Production)	90% of products with improved transparency (non-GMO, BPA-free, organic)	2018: 38% 2019: 37%



*Please note that the baseline year for all goals is 2015 unless otherwise noted.

** Progress data for 2018, 2019 and 2020 can be found here.



DIVERSITY & INCLUSION Championing Equality

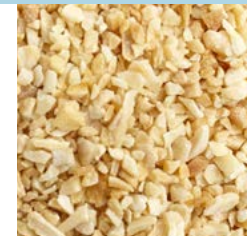
Diversity & Inclusion are at the core of McCormick's values and strategic business priorities. We know a diverse and inclusive workplace results in business growth, increased innovation, retention of talent and a more engaged workforce. McCormick's Diversity & Inclusion strategy is focused on four key areas: Workforce, Work Environment, Marketplace, and the Community.

Our 2025 Diversity & Inclusion goals center around increasing the proportions of ethnically diverse talent and women in leadership positions, launching and leveraging Employee Ambassador Groups, and expanding leadership development programs.

Diversity & Inclusion Focus Areas:

- 1. Workforce:** To ensure we continue to attract the most qualified and talented candidates, we've developed an employee value proposition to highlight McCormick as an employer of choice and have implemented a cross-functional learning program to understand the growth behaviors needed to sustain our success. This year, we're also refreshing the competencies needed to grow the McCormick of the future.
- 2. Work Environment:** Our policies and processes, like our Business Ethics Policy, are designed to create a more inclusive environment and employee experience that encourages collaboration and emphasizes leadership skills development.
- 3. Marketplace:** Our Diversity & Inclusion initiatives extend beyond our walls and work to engage diverse suppliers, supporting business resilience and customer engagement as well as consumer market connections.
- 4. Community:** We have aligned our corporate outreach efforts to support local, regional, national and global activities by identifying social issues that could potentially impact the company and our employees to proactively address challenges.

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McCormick’s Board of Directors works together to shape the company’s strategic direction and ultimate success. We prioritize including and amplifying diverse voices across levels, including the Board, which is why we sought to develop a Board that represented at least 30% ethnically-diverse talent, and have done so with a 40% ethnically-diverse Board. As we plan for the future, we are taking strides to build on these efforts and grow a more diverse Board.

Board Representation			
Gender & Ethnicity from 2017-2019			
Category	2017	2018	2019
Female	3	3	3
Ethnically Diverse Talent	4	4	4
Caucasian (includes 2 females)	8	7	6
Total Board	12*	11	10

*Alan Wilson retired as Chairman of the Board in 2017.
 ** Progress data for 2018, 2019 and 2020 can be found here.

Awards & Recognition

DiversityInc named McCormick to its “**Top 50 Companies for Diversity**” (#44) in 2020 and “**Top Companies for Executive Women**” (#8) in 2019, showcasing our commitment to fostering a diverse and inclusive workplace and to supplier diversity. This is our fourth year in a row on the Top 50 list.

4
YEARS
 in a row on the
Top 50 List



The Human Rights Campaign’s **2019 Corporate Equality Index** awarded McCormick a rating of 90 out of 100, an increase of over 10 points from our 2018 rating.

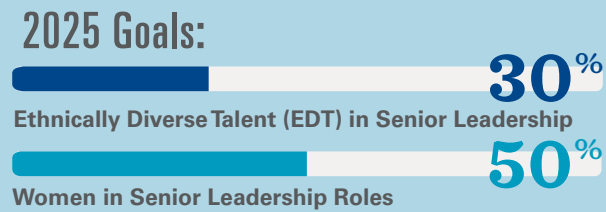
+10
POINTS
 increase from
 our 2018 rating





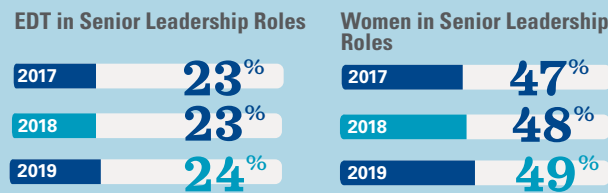
DIVERSITY & INCLUSION Talent Management

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Progress on Our 2025 Goals:

“Senior Leadership” as defined in 2017¹:



“Senior Leadership” as defined in 2019¹:



Diverse Talent Goals

Our diversity and inclusion goals are helping to ensure we reflect the global community in which we work and serve. In 2019, to continue this momentum, we consciously made a decision to reframe our reporting goals to more specifically center on the attraction and retention of diverse senior and executive leaders.

Our goal for Ethnically Diverse Talent (EDT) is 30% for senior and executive leaders. As we pursue this goal, we will continue to review, and advance, emerging talent. For example, as part of our commitment to emerging talent, we continue to invest in the expansion of our Global and U.S. Ignite programs to focus on female and EDT talent respectively.

However, we have redefined the scope of the positions classified as “Senior Leadership” to show metrics in 2019 moving forward. The roles of managers and senior managers will no longer be included in our definition of “Senior Leadership”; rather, “Senior Leadership” will now consist of directors, senior directors, vice presidents, and

¹ Senior Leadership as originally defined in 2017 included managers, senior managers as well as directors, senior directors, vice presidents and senior vice presidents. For 2019 and going forward, Senior Leadership will only report on director-level and above. The goals on the left shows our goals and progress to these goals for 2017, 2018 and 2019 as defined in 2017 and separately, as defined in 2019.

senior vice presidents. This new definition aligns more closely with McCormick’s succession planning discussions.

In 2019, McCormick’s Talent Acquisition and Talent Management Centers of Expertise also partnered to develop and launch a new global employee brand and recruiting initiative designed to proactively attract diverse early, mid-career and senior level talent. With the design phase of the new employment value proposition complete, called *My McCormick, My Flavor*, the company will begin implementation of the campaign in 2020 as well as establish new external partnerships with professional associations focused on diversity.



DIVERSITY & INCLUSION

Employee Engagement

Employee Engagement

We leverage employee surveys to solicit feedback and understand views of our culture and work environment. Employee feedback has helped us create key initiatives including: an employee intranet, flexible work arrangements, technology improvements, and upgraded work environments to enhance our headquarters and other facilities.

We are developing a listening strategy to ensure we capture employee feedback during all the moments that matter to employees, in addition to a new baseline employee engagement survey that will launch in 2020. We've also added an Organizational Effectiveness subfunction charged, in part, with enhancing our employee communications across the enterprise, driving enhancements in employee engagement and improving the employee experience.

In 2018, McCormick Canada implemented McFlex, an internal flexible workforce program, that replaced our reliance on staffing agencies and helped us engage with employees directly. Since its inception, nearly 140 McFlex employees have been hired, over 50 have moved into regular full-time roles, and we were able to raise the average pay for McFlex employees by 25% to \$18.13 from \$14.50 per hour. By making this change, employees now make a living wage, are more vested in our efforts, and serve as a pool for potential full-time recruitment. In this way, McCormick has incorporated its core values of creating initiatives that foster a productive workforce while improving the livelihoods of its employees and communities.



84%

Sustainable Engagement

91%

Participation Rate

Our most recent survey resulted in 84% sustainable engagement, which measured employees' motivations and energies to deliver their best performances. This number was 4% higher than the average across other food and beverage companies who used the same survey tool. The survey garnered a 91% participation rate across global employees and was delivered in 12 languages.

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Employee Ambassador Groups

Employee Ambassador Groups (EAGs) provide a supportive, collaborative space for employees to come together to promote inclusion, strengthen our community, learn new skills to advance in the workplace and network with colleagues across the company. These groups operate as an extension of our Diversity & Inclusion (D&I) office, and in total involve over 1,100 McCormick employees across 8 EAGs and 4 chapters outside the US, not including our Canadian or Latin American diversity councils.

Over the past two years, we've introduced a new multicultural EAG in the Asia Pacific Zone and two new chapters of McCormick's Women's International Network (WIN) in South Africa and China; a WIN Italy chapter is currently underway. These groups are critical to our focus on empowering women and to providing an inclusive environment for professional skills building, career discussions, and networking.



CASE STUDY

PRISM, our LGBTQ EAG, has helped drive internal policy change and enhanced McCormick's relationship in the supplier diversity space. In 2018, an LGBTQ-owned vendor provided the furniture for our new HQ.



Our Veteran's EAG in the US delivered several scholarship awards to the four US military academies, delivering on our commitment to support our armed forces.

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International Women's Day



Denise Koch from WJZ-TV

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On May 9, 2019, our sixth annual Global Diversity & Inclusion Day brought together 1,200 employees in 13 countries to highlight our D&I values, strategies and programming. The annual event educates employees on fostering a more inclusive culture, our future plans, and encourages them to join and interact with our EAGs.

Celebrating Chinese New Year and Black History Month



DIVERSITY & INCLUSION

Empowering Women

In 2018, we made a commitment to expand our pay equity work and to increase transparency around our discussions of the topic. We completed a study on pay equity and shared highlights of our findings during Women’s History Month and on Global D&I Day.

Pay analysis shows that when controlling for grade representation in management and professional populations, women globally earn 94 cents on the dollar. In the U.S. that number is 99 cents on the dollar and in some countries the number is higher than one dollar.

We’ve also committed to continue regular review of pay levels and pay equity to ensure that our processes and procedures are working as intended and are consistent across geographies.



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DIVERSITY & INCLUSION

Discrimination & Harassment

McCormick has always emphasized the importance of showing respect and concern for one another through all workplace interactions. McCormick has well-established protocols that provide employees an opportunity to raise concerns about any form of workplace harassment, ranging from speaking directly with their immediate manager to contacting the company ethics hotline.

We have finalized a workplace violence prevention policy and have also implemented annual Safety & Wellness Day educational sessions and trainings. We're exploring additional global educational solutions for later this year.



In 2019, we moved to a “Zero Tolerance” policy in a step forward to address employee concerns related to workplace harassment. Our new company-wide position, which was announced at 2019’s annual Global D&I Day and presented by our CEO and Director for Global Diversity & Inclusion, includes updated global workplace harassment definitions in addition to plans to implement manager and employee trainings across the globe.



Training & Development

Regular training and development opportunities provide McCormick employees with the tools and resources they need to grow, learn and lead effectively. Focusing on a variety of topics ranging from business writing to leadership, our programs and initiatives, led through our Global Learning and Development Center, allow employees to continuously thrive in their roles. Ensuring that all employees have access to training helps keep McCormick a great place to work.

Global Ignite for Women

For the past three years, McCormick has partnered with Korn Ferry, an industry-leading organizational consultant, to implement our Global Women's Ignite Program. The program is targeted toward strong-performing female talent and helps advance them to mid-level positions as leaders within the company, with the intention to contribute more to the long-term growth of the business. To date, more than 50 women have graduated from the program, which has been shown to reduce turnover and increase job promotions or job responsibility for graduates.

40% of program graduates have been promoted or moved into an expanded role with more responsibilities.

DiversityInc magazine underscored the impact of the program in their ranking of corporate women's initiatives by recognizing McCormick & Company in its list of Top Companies for Executive Women.

U.S. Ignite for Ethnically Diverse Talent

Building on the success of the Global Women's Ignite Program, in 2018 we launched the U.S. Ignite program focusing on advancing ethnically diverse talent. Identified through Ignite's competitive nomination process, participants partner with their managers in a rigorous three-day curriculum designed to help them manage headwinds that may be affecting their careers. Both managers and employees also complete a leadership styles assessment and receive coaching on their skill sets to understand how their styles can impact their effectiveness. Throughout the sessions, employees have opportunities to network with each other and connect with senior leaders and executives across the company.

Journey to Excellence

In 2017, McCormick launched Journey to Excellence, a global supply chain operational excellence program that uses engagement surveys, leadership and development training, and skills toolsets to improve employees' capabilities individually and as teams to eliminate losses. Since the program was introduced, over 2,900 hourly Global Supply Chain employees have received this training, and over 144,000 hours of development have been deployed. McCormick has also launched the journey to Total Employee Ownership, which provides employees the equipment, processes, and system ownership to make decisions that impact their everyday work. Through implementation of systems and processes like daily meetings, our hourly employees continue to cultivate communication, management, and decision-making skills that foster an inclusive workspace that empowers each person and team.



Local Boards

Regional Boards
Americas, EMEA, Asia Pacific

Global Board

Established in 1932, this participative management philosophy leverages our employees' brainpower to work together with senior management to find solutions to business challenges while developing leadership skills and learning more about our business.

Health & Wellness

McCormick is committed to creating a healthy workplace that enables our employees to perform and develop in a supportive environment. Our programs educate and empower employees to improve and maintain their overall health and well-being, with a historic approach focused primarily on physical health and preventative screening. This year, we are redefining our approach to emphasize and support a more holistic culture of well-being. We are working to:

1. Develop and launch a global strategy that provides equal focus on physical, mental and financial well-being
2. Deliver a global governance structure and communication channels that incorporate regional and local support networks
3. Establish success criteria and metrics for a meaningful and sustainable program

In 2018, we identified over 50 local wellness programs across the globe that deliver a range of physical, mental, and financial benefits for employees, ranging from group fitness classes to health walks to yoga. Regular wellness screenings remain a company-wide priority.

Americas: In 2019, McCormick's Maryland headquarters hosted the 14th annual Safety & Wellness Day. All local plants closed to allow employees on all shifts to participate along with corporate employees.

EMEA: Locations across Europe, the Middle East and Africa host Free Fruit Wednesdays to provide employees with healthy snack options. They also host Mental Health Awareness Week each year to emphasize the importance of this critical component of a healthy life.

Asia Pacific: In the Asia Pacific region, employees celebrated Mental Health Week as they participated in various activities like yoga, mindfulness, and meditation sessions.



McCormick's Young Professionals EAG (McYP) promotes mental well-being events to help drive wellness initiatives at the grassroots level. In 2019, the group ran a successful workshop around anxiety and how to manage it in the workplace.



Occupational Health & Safety

At McCormick, we are committed to the safety, health, and security of our people and the protection of our planet. We believe that a hazard-free environment is the critical enabler for the success of our business. Throughout our operations, we continue to perform at high levels to ensure that all McCormick employees have access to safe workplaces that allow them to thrive in their jobs.

McCormick's Safety Principles:

- 1.** Safety is Everyone's Responsibility
- 2.** We Care for Each Other
- 3.** All Accidents are Preventable
- 4.** Nothing We Do is Worth Getting Hurt For

Based on scientific research published by independent researchers through the Institute, the USDA incorporated more herbs and spices into its guidelines for school lunch programs. The McCormick Science Institute is engaged in several ongoing research partnerships with leading research institutions and universities across North America and Europe to study food science and human nutrition in order to enhance the understanding of potential health benefits of culinary herbs and spices.

MSI-funded studies have found that:

Cooking

with herbs and spices may reduce daily sodium intake for Americans.

Offering

reduced-fat dips flavored with herbs and spices may help children learn to like vegetables and significantly increase vegetable consumption.

Focusing

nutrition education intervention on spices and herbs may help improve diet quality among high school students.



Studies funded by the McCormick Science Institute (MSI) regularly evaluate the health contributions of our herbs and spices. The Institute, an independent research-driven organization, supports scientific research and disseminates information on these health benefits to consumers, health professionals and other stakeholders. Led by nutrition scientists, the Institute's work is guided by a Scientific Advisory Council consisting of internationally-renowned scientists and health professionals from leading research institutions.





THE BUSINESS ETHICS POLICY (BEP) IS THE FOUNDATION OF OUR ETHICS AND COMPLIANCE PROGRAM. IN ADDITION, McCORMICK HAS IMPLEMENTED MULTIPLE OTHER POLICIES AND PROCEDURES TO ADDRESS SPECIFIC ASPECTS OF OUR BEP, INCLUDING INSIDER TRADING, ANTITRUST, BRIBERY, AND CONFLICTS OF INTEREST.

ETHICS & Transparency

Our uncompromising commitment to integrity, honesty and fairness, internally and externally, has positioned McCormick as a global leader in the flavor industry. McCormick continues to foster a culture of integrity, ethical behavior and respect by continually improving employee communications, activities, trainings, policies and procedures to ensure our business and our people engage in ethical decision-making processes across the enterprise.

Our success is grounded in our long-standing shared values:

E ETHICAL BEHAVIOR
T TEAMWORK
H HIGH PERFORMANCE
I INNOVATION
C CONCERN FOR ONE ANOTHER
S SUCCESS

2019 Progress

In 2019, we established an Enterprise Compliance Group, which houses an Ethics & Compliance team dedicated to improving all aspects of our global ethics and compliance program. Their work includes oversight of how we assess third parties for corruption risk, training employees to identify and report potential ethics and compliance violations, tracking and responding to incidents, and monitoring, and auditing compliance risks of the program. Additionally,

we've further invested in our global ethics and compliance program by supporting employees on the team to become Certified Compliance and Ethics Professionals, both in the US and internationally.

Corporate Governance and Responsibilities Allocation

At McCormick, we take ethical behavior seriously because ethics aren't just rules we follow – they're a part of our culture. While acting ethically and complying with all applicable laws and regulations is everyone's responsibility, our ethics and compliance program is directed by our Corporate Legal department and senior management, under the oversight of the CEO and the Audit Committee, with the Enterprise Compliance Group being responsible for its day-to-day operations and execution.

The Audit Committee of our Board of Directors oversees our program and has established procedures for (i) employees to submit confidential and anonymous reports of suspected illegal or unethical behavior, concerns regarding questionable accounting or auditing matters, or violations of McCormick's Business Ethics Policy, and (ii) interested persons to submit concerns regarding accounting, internal controls over financial reporting, or auditing matters.



Human Rights

The company will be revisiting the United Nation's Human Rights and Women's Compact to determine where there are additional opportunities for alignment.



UNITED NATIONS



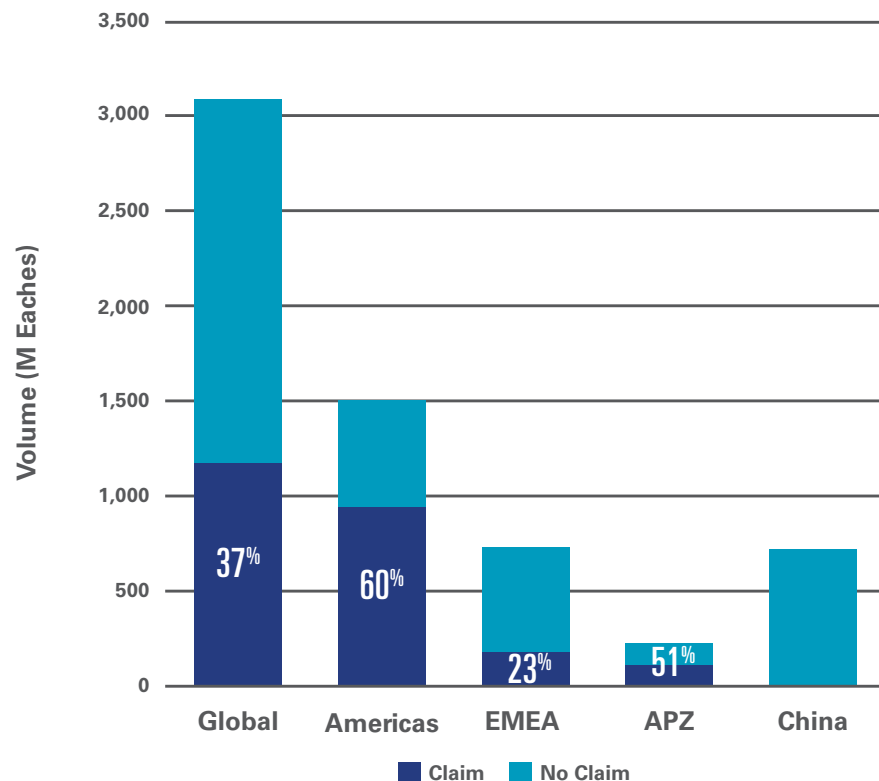
PLP GOAL

90% of Products with Improved Transparency

We are working towards improving the transparency of how we market our products and the claims that appear directly on the product packaging.

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Volume in Eaches



EXAMPLES OF CLAIMS

- BPA-Free
- Less Sodium
- Gluten-Free
- No Artificial Color
- No Artificial Flavor
- Non-GMO
- Organic
- No MSG
- Sodium-Free
- No HFCS
- No Salt
- Dairy-Free

We are making significant progress

towards our 90% transparency goal which affects claims that appear directly on the product packaging. We define transparency claims as those that help consumers make more informed purchasing decisions to drive better health outcomes.

To date, 37% of our global branded

products have transparency claims on their packaging, ranging from organic certification through the USDA to certifications of BPA-free packaging. Within North America, 20% of all branded products are Non-GMO to date.

As we develop our products,

we reference our database of over 20 unique product claims and work to ensure that our products are in line with consumer transparency preferences. As we continue work toward our goal of having 90% of products with these claims, we expect our unique claims to grow.

REPORTING FRAMEWORK



Reporting Framework

In our current process, any employee with reason to believe in good faith that an actual or potential ethics or compliance violation has occurred can report it to one of several qualified parties, including his or her supervisor, an HR representative, our General Counsel, the Ethics and Compliance team, or the Board of Directors, without fear of retaliation. Reports can also be made through our confidential hotline that is staffed by an independent organization.

Looking Ahead

To build on the current process, McCormick is focused on ensuring the right resources and staffing to maintain the auditing, documentation and analysis required for an effective ethics and compliance program. We've also begun work to determine which metrics and key performance indicators effectively capture our continuous improvement in the space. The Ethics and Compliance team will also continue to survey employees to gauge our ethics and compliance culture, evaluate the strength of controls and conduct periodic audits to ensure that controls are functioning effectively.



CASE STUDY

PROJECT PERK THIRD-PARTY RISK MANAGEMENT

McCormick established Project Perk

to automate and improve the efficiency and efficacy of our third-party risk-based management program. Previously, due diligence screening for certain third-parties relied on cumbersome and manual processes. Project Perk now helps us mitigate risk prior to transacting with such third parties by identifying red flags and other factors that may warrant further risk-based assessments. This helps us evaluate the extent to which these partners act ethically, conduct business in compliance with applicable laws and regulations, and embrace McCormick's shared values. Project Perk is a cross-functional effort, including support from our Legal, Internal Audit, and Ethics and Compliance departments.

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OUR COMMITMENT TO Communities

McCormick's supply chain sources 14,000 raw materials from more than 80 countries. Our business informs our efforts to engage with the communities in which we live, work, and source raw materials.



- FARMING COMMUNITIES
- SUSTAINABLE SOURCING,
SUPPLY CHAIN AND COMMUNITIES
- HUMAN RIGHTS
- CHARITABLE GIVING
& EMPLOYEE VOLUNTEERING



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Communities

Our commitment to communities includes our charitable giving efforts, our work to improve livelihoods in farming communities, and our goal to empower women across industries that impact our supply chain. At McCormick, we challenge each other to be involved global citizens who live our values and embrace the importance of giving back to the communities where we live and work.



Commitments	United Nations SDGs	2025 Goals*	Progress Toward 2025 Goals**
Increase resilience and improve livelihoods of communities and small farmers — especially women	15 (Life on Land)	Increase resilience of 90% of smallholder farmers that grow our iconic herbs and spices, as measured by increasing skills and capacity, income, access to financial services, education, and nutrition and health.	Number of farmers impacted: <ul style="list-style-type: none"> • Black pepper: 1,227 • Vanilla: 12,339 • Red pepper: 1,200 • Oregano: 1,100 • Cinnamon: 0 To date, we have positively impacted over 15,750 farmers, which represents 45% of our target of 35,000 farmers.
	12 (Responsible Consumption and Protection)		
	10 (Reduced Inequalities)		
	8 (Decent Work and Economic Growth)		
	5 (Gender Equality)		
	1 (No Poverty)		
2 (Zero Hunger)			
Increase employee volunteering and giving through corporate programs	3 (Good Health and Well-Being)	80% Employee participation in Charity Day Globally	2018: 16% 2019: 20% We are implementing a global giving model in early 2021 to track progress toward this goal.

*Please note that the baseline year for all goals is 2015 unless otherwise noted.
 ** Progress data for 2018, 2019 and 2020 can be found here.

Farming Communities

McCormick relies on farmers around the world to produce the raw materials we use in our products. We work with a variety of external partners and stakeholders, including suppliers and non-governmental organizations (NGOs), to identify the specific needs of our sourcing communities and create projects to enhance social and economic livelihoods around the world. As part of our commitment, we're working to decrease the digital divide and have implemented digital management systems to help smallholder farmers in developing countries gain access to formal markets while increasing the productivity of their crop yields. We aim to positively impact 90% of smallholder farmers in our iconic raw material supply chains by implementing initiatives to improve their resilience by 2025.

To date, more than 10,000 farmers have expanded access to operational management solutions, including agricultural best practices and market pricing—in an effort to increase their incomes today while also improving the long-term productivity of their crops for the future. We aim to positively impact 90% of farmers by implementing initiatives to improve their resilience by 2025.



PARTNERING WITH PURPOSE

McCormick engages external stakeholders and develops partnerships with organizations around the world to improve the resilience of our farmers.

- **McCormick has partnered with IFC, CARE, and WWF** to conduct risk and opportunity assessments in key countries of origin and to inform the design of our Sustainable Sourcing framework.
- **McCormick has partnered with USAID, USDA, GIZ and NCBA CLUSA** to improve the resilience of around 10,000 vanilla smallholder farmers in Madagascar and Indonesia. These initiatives aim to increase incomes while protecting biodiversity and improving governance through strong farmer cooperatives and Rainforest Alliance certification.
- **McCormick has partnered with IDH (Sustainable Trade Initiative), IFC and USDA in Vietnam and Indonesia** to improve the resilience of approximately 7,000 black pepper farmers. Initiatives include the training of farmers on good agricultural practices with the aim of becoming Rainforest Alliance Certified™, the development of black pepper nurseries to increase production, and providing smallholder farmers with better access to international markets.



Investments in Farming Communities

McCORMICK WORKS with its suppliers to increase the direct economic benefits generated by farmers through the sales of their products. We are working with our suppliers to remove unnecessary intermediaries to buy our five iconic ingredients directly from farmer groups, increasing the efficiency of the supply chain and allowing farmers to access better prices and services. Services include health insurance, interest-free loans and access to inputs that reduce costs for farmers, thus increasing their profits. A premium or bonus incentive is usually paid to farmers for sustainable or Rainforest Alliance-Certified™ products.

Investments in Farming Communities



MADAGASCAR

McCormick HAS invested significantly in local communities in Madagascar to restore primary schools and increase access to education. We have also funded vanilla processing centers in remote communities, allowing farmer cooperatives to reap additional economic benefits from the processing operations.

Investments in Farming Communities



INDIA

WE HAVE INVESTED in four reverse osmosis systems to facilitate access to clean drinking water for local communities. This investment is expected to positively impact 19,500 community members.

Investments in Farming Communities



INDONESIA

IN COLLABORATION WITH USAID, WE HAVE INVESTED in large vanilla and black pepper nurseries to provide over 800,000 free or subsidized seedlings to local communities. Farmers either initiate, expand or diversify their farms to generate additional benefits through the sales of these products into McCormick's supply chain.



Building Resilience in Farming Communities

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McCormick works with NGOs and donor partners to design comprehensive development programs in Madagascar and Indonesia to support farmers as they diversify their income sources. Our programs focus on maintaining forests, biodiversity and soil health, and ensuring natural resources and ecosystem services will support long-term prosperity in local communities.

McCormick partnered with leading research institutions, including the Western Highlands Agriculture and Forestry Science Institute (WASI) in Vietnam and the Australian Centre for International Agricultural Research (ACIAR), to advance agronomical best practices for black pepper, developing solutions to the most pressing agronomical issues and implementing these solutions with farmers in Vietnam. The first phase of the research collaboration, which targets farming system characterization and soil health, will guide the design of a larger research project over the next few years.

IN VIETNAM

McCormick supported the development of the National Black Pepper Training Curriculum, which the local government will implement nationally to help farmers improve agricultural practices across the country.



Resilience in Farming Communities (AVT McCormick)

AVT MCCORMICK has been working directly with Indian red pepper farmers for nearly 25 years. In 2017, the team identified several disadvantaged farming communities in Tamil Nadu with land suited to organic red pepper cultivation. An initiative was started to train the farmers in good agricultural practices such as natural pest and disease management. The training also includes biodynamic farming practices, which can improve productivity with naturally available resources at minimum cost. The project currently has nearly 500 registered farmers spread across 12 villages. In 2018, 136 acres of farmland under the organic conversion project also received Rainforest Alliance certification.

AVT McCormick's field staff works very closely with the villagers, and through these interactions, it is apparent that their communities have suffered from health problems due to high levels of TDS (total dissolvable solids) in their drinking water. In 2019, McCormick provided funding for the construction and installation of reverse osmosis water purification facilities in four of the villages, benefitting an estimated 19,500 individuals. Plans are under way to build facilities for a further five villages in 2020.





Partnering to Support Farmers

McCormick is committed to helping smallholder farmers work together to engage in partnerships that support their growth and enhance the productivity of their crops and communities.

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OUR ICONIC 5 INGREDIENTS

 <p>Vanilla</p>	 <p>Red Pepper</p>	 <p>Black Pepper</p>	 <p>Oregano</p>	 <p>Cinnamon</p>
<p>Trained over 12,000 farmers in good agricultural practices (GAP training) and over 3,000 farmers in income management</p> <p>Funded over \$598,000 in interest-free loans provided to farmers</p> <p>Three schools constructed and three underway in Madagascar's SAVA region</p> <p>Over 10,000 household members participating in health insurance plans</p> <p>Low-cost, high-quality housing materials made available to cooperative members through bulk purchasing and loans, resulting in homes being built at half the cost</p>	<p>Over 1,200 farmers participate in backwards integration project</p> <p>Over 800 farmers benefit from the use of mobile technology to track inputs in the crop life cycle</p> <p>Reducing water usage through drip irrigation on over 1,000 acres of farmland</p> <p>807 acres of farmland in Telangana state and 136 acres in Tamil Nadu received Rainforest Alliance certification</p> <p>Day care renovated in Cherla Mandal to benefit local community</p>	<p>One cultural house renovated for local ethnic minorities in Vietnam</p> <p>Four kindergarten schools equipped with outdoor play equipment, a library, and books in Vietnam</p> <p>Rainforest Alliance certification ongoing with approximately 1,200 farmers, leading to sustainable production practices</p> <p>Developing technologies to assist small scale farmers with improving their yield and livelihood</p> <p>Setup and support for 9 demo farms to illustrate good agricultural practices to farmers, including drip irrigation</p> <p>170 farmers trained in financial management, including 51 women</p>	<p>"Herb Club" set up by supplier in 2011, over 1,800 farmer members trained and 1,100 still active</p> <p>Membership provides free agricultural consultancy and soil analysis support</p> <p>Integration into mobile platform to allow real time tracking and advice for farmers</p> <p>Discounted healthcare for household members at local hospitals</p>	<p>An assessment of the cinnamon value chain was completed</p> <p>A direct sourcing model pilot program has been initiated</p> <p>Partnership agreement established with USDA's Food for Progress Program to train and certify 2,000 cinnamon farmers in Indonesia by 2025 with the support of NCBA/CLUSA, Rainforest Alliance and PTCHC</p> <p>Roadmap in place to distribute an estimated 500,000 cinnamon trees to farmers over the next 5 years</p>



Agricultural Science Training

McCormick and our partners provide training and support to farmers across our supply chain to improve their agricultural practices in ways that will increase their yield and decrease their production costs. Whenever possible, farmers are trained and supported to process their raw product, either directly or through a joint venture, to gain the added value from processed products, and further increase their income.



CASE STUDY

McCormick & Farmforce

McCormick is working to implement mobile technology solutions across the supply chains of our five iconic raw materials. Since 2015, McCormick has been working with FarmForce, a cloud-based mobile and web platform, to improve traceability and farmer engagement in Madagascar, Turkey, and Vietnam. Smallholder farmers are linked to the supplier through mobile technology, allowing them to track all activities happening at farm level. As a result, the suppliers can provide expert advice to farmers on how to deal with issues such as pest management and disease control.

The multi-functional system includes a record of all training provided to the farmer and can also be used as a tool to ensure audit compliance for certifications, such as Rainforest Alliance. The geo-mapping feature, showing field size and crop grown, can help suppliers to more accurately project yields for each region. In addition, we are working with FarmForce to create customized surveys to track KPIs relating to farmer and community livelihoods, which will assist us in assessing the impacts of our initiatives.



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Sustainable Sourcing, Supply Chain & Communities

At McCormick, we pride ourselves in delivering high-quality agricultural products that exceed the expectations of our consumers and customers. To achieve this, our products are manufactured in accordance with the highest environmental, social, and governance standards.

Ensuring that the agricultural raw materials for our products are responsibly produced is a significant challenge because of the complexity of our large agricultural supply chain, which includes many smallholder farmers whose practices can be difficult to regulate. We work in partnership with our suppliers to remove unnecessary intermediaries in the supply chain, establishing direct relationships with farmers that help us overcome these challenges.

Madagascar

McCormick and its supplier have been able to provide health insurance to roughly 10,000 household members growing vanilla. We are supporting the construction of six schools, three of which are now completed and teaching over 500 children. To ensure community ownership of these initiatives, McCormick, along with its supplier, provided the construction material, while the community provided non-specialized labor force. These initiatives benefit the entire community, as only 39% of the children enrolled in these schools are from the cooperative members.

India

AVT McCormick has been working directly with Indian red pepper farmers for nearly 25 years. They are leading the way in delivering our 2025 purpose-led performance targets, having achieved Rainforest Alliance certification for 60% of our branded red pepper. AVT McCormick has been working directly with farmers to implement training projects focused on integrated pest and disease management, soil health and nutrient management, and field technology interventions to assist farmers. Today, their red pepper backwards integration project includes over 1,100 farmers cultivating 6,500 acres of land across Telangana, Andhra Pradesh and Karnataka.



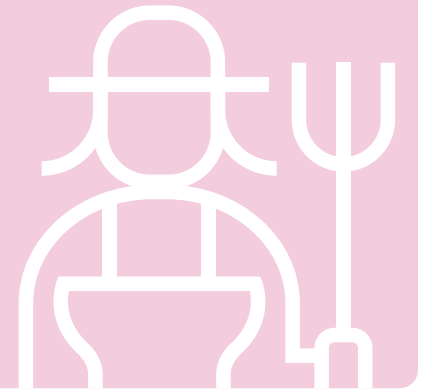


Empowering Women

Responsible sourcing includes fully recognizing the fundamental, though often hidden, role women play on farms across our global supply chain. By addressing women's unequal access to knowledge, resources, and decision-making through targeted activities and services, experience has shown yields would increase up to 30% and household income by 14-18%, thereby improving women's economic viability and that of their communities.

GOALS

- **Map the contributions of women** on-farm in 100% of our iconic ingredient sourcing communities by 2025.
- **Pilot an integrated global approach** to gender equality and women's economic empowerment by 2025.



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CASE STUDIES

“I’ve been very fortunate, and I grew up doing this with my dad and uncle. I’ve always been around other men in the industry, and I’ve been always comfortable with it...there are other businesses I deal with and initially they weren’t too comfortable with it but I was like, I could do the same things you can and I deal with a lot of different companies like you do but I’ve been very fortunate to work with some good people in a lot of different industries.”

Helen
CO-OWNER, IMPERIAL VALLEY FARMS



OUR SUPPLIER DIVERSITY PROGRAM includes a specific focus on growing relationships with women-owned businesses around the world through our partnership with WEConnect International, an organization that shares our vision for inclusive and sustainable economic development. We are working together to help women business owners gain access to new markets, enabling them to expand their companies to create additional jobs.

MCCORMICK PARTNERS WITH CARE to map women's on-farm contributions across our five iconic supply chains. In 2018, we entered into a partnership with CARE to not only conduct the mapping, but also include a baseline study and needs analysis, through a gender lens, for the communities from which we source. To date, these reports have been completed for Vanilla in Madagascar, Black Pepper in Vietnam, and Red Pepper in India. Data for Oregano in Turkey is currently underway, with results expected in early 2020. The recommendations coming from these studies will be incorporated into our strategy to build resilience for farming communities and empower women in origin countries.





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Supplier Diversity and Sustainable Sourcing

Supplier Diversity

McCormick’s efforts to engage diverse suppliers across our supply chain is a strategic, economic and business imperative that anchors our approach to fostering economic growth among diverse communities. Our Supplier Diversity Program (SDP) enables us to develop relationships with qualified, diverse businesses that meet our high standards for quality and cost effectiveness. Suppliers are encouraged to support McCormick’s diversity efforts by utilizing qualified diverse-owned businesses in support of the business it conducts with McCormick.

Supplier Finance Program

McCormick also works to provide financial support and opportunities for suppliers where possible. Our PLP Supplier Finance Program is designed to deliver impact and continuous improvement toward our Purpose-led Performance targets. McCormick is an active contributor to the Sustainable Vanilla Initiative (SVI), which aims to promote the long-term stable supply of high-quality, natural vanilla, that is produced in a socially, environmentally and economically sustainable way. Also a member of the Sustainable Agriculture Initiative (SAI) Platform and the Sustainable Spice Initiative (SSI), McCormick believes that certain sustainability challenges cannot be tackled alone and require industry-wide collaboration, beginning with improving farmer livelihoods. An example of this is our involvement in industry-wide initiatives like the SAVABE project which, in conjunction with the US Department of Labor (USDOL) and the International Labor Organization (ILO), aims to eliminate child labor in the vanilla producing areas of the Sava region.

THE PLP SUPPLIER FINANCE PROGRAM PROVIDES

- 100% ADVANCE RATE** (less discount fee) provided within two days after McCormick acceptance to pay
- VERY COMPETITIVE RATES** which are further reduced as the suppliers’ PLP rating improves
- IMPROVED RISK MANAGEMENT** by receiving early payment on invoices on a non-recourse basis
- AN OPPORTUNITY** to free up existing bank credit lines



Our Supplier Diversity Goal

To exceed the Food and Beverage Industry sector average by increasing our first- and second-tier year-over-year spending with diverse suppliers by 2025

MEMBER ORGANIZATIONS



WOMEN PRESIDENTS' Educational Organization



Human Rights

We use the US Department of Labor's High Risk List for Child Labor and Forced Labor as the basis for determining risk in regions and countries where we source ingredients.

We continuously assess plans for our highest-risk countries and ingredients and expect our supply partners to reduce and ultimately eliminate incidents of unethical practice throughout our supply chain.

McCormick is part of the SSI (Sustainable Spices Initiative) impact working group, which aims to collaboratively address industry-wide human rights issues, including child labor.

VIEW OUR GLOBAL SUPPLIER
CODE OF CONDUCT 



CASE STUDY

McCormick has decreased the percentage of our global tier-one suppliers identified as high risk from less than 3% to less than 1%

by increased due diligence and partnerships with the Supplier Ethical Data Exchange (SEDEX) and Supplier Member Ethical Trade Audit (SMETA).

McCormick expects its suppliers to be aware of and comply with all applicable laws and regulations of the countries where they conduct business; conduct business responsibly, with integrity, honesty and transparency; and to adhere to the following standards as they apply to the following employment practices:

- Labor
- Working Hours
- Compensation
- Non-Discrimination
- Workplace Health & Safety
- Respect for the Environment



Responsible Marketing and Consumer Health

As a global leader in flavor, inspiring healthy choices is one of our top priorities, but we are committed to delivering more than just great flavor. Our independent research, funded through the McCormick Science Institute, combined with our approach to enabling healthy eating, shapes the way we build and promote our products. When used as a substitute for salt, sugar and fat flavorings, herbs and spices add flavor while making meals healthier. We are continually:

- **Improving our products:** We source high quality ingredients to provide optimal color, flavor and aroma, remove artificial ingredients wherever possible, and design packaging of the future through technological and ergonomic improvements.
- **Driving innovation:** We work to achieve organic accreditation where possible, are working towards 100% sustainably sourcing across our portfolio by 2025, and will have 100% plastic packaging that can be reused, recycled or repurposed by 2025.
- **Understanding our consumer preferences:** Our global teams work together to study our consumers, with the goal of creating meaningful messaging and products to address relevant trends toward health and wellness.
- **Strengthening our customer relationships:** We work with our customers across regions to deploy category best practice learnings and to deliver successful in-store consumer purchase experiences.

In 2019, McCormick launched its first Artificial Intelligence-enabled consumer product platform "ONE," a line of one-dish Recipe Mix flavors. Through the ONE platform and other projects in the pipeline, McCormick's product developers are now using AI to unlock creativity, access new insights, and share data with their peers around the world. This proprietary, cutting-edge technology sets McCormick apart in its ability to develop more creative, better-tasting products and new flavor experiences across both our Consumer and Flavor Solutions business segments.

Improving Transparency on Packaging



Claims on all McCormick products worldwide are rigorously reviewed by our Claims Development Team to ensure truthful, accurate, and direct communication with our consumers.



CASE STUDY

IBM Research

McCormick is ushering in a new era of flavor innovation

and changing the course of the industry by using IBM Research AI for Product Composition.

Combining IBM's expertise in AI and machine learning with McCormick's 40+ years of proprietary sensory science and taste data, which includes decades of past product formulas and millions of data points related to consumer taste preferences and palettes, McCormick is making new product development better, faster, and more cost effective.



Charitable Giving & Employee Volunteering

McCormick and its nearly 12,000 employees embody a spirit of giving and volunteerism, which serves as the backbone of the company's charitable efforts to support thriving, healthy communities where we live and work. Our programs include Charity Day, Community Service Awards, and Flavor For Life. Every cent of McCormick's total corporate giving goes directly to non-profit organizations.

Charitable Giving & Employee Volunteering	2018	2019
Total corporate giving*	\$7,497,341	\$7,287,525

** Progress data for 2018, 2019 and 2020 can be found here.

From September to November 2019, we reframed Charity Day to host a new global "Day of Giving" to celebrate McCormick's 130th anniversary. Worldwide, we provided 1.3 million meals to local communities in need. In addition to a meal-packing event at our Maryland headquarters, we piloted cashless fundraising to track participation across all our facilities.

Participating countries included Australia, Canada, El Salvador, France, Italy, India, Japan, Mexico, Poland, Portugal, Romania, Russia, Singapore, South Africa, Spain, Thailand, Turkey, UK, and US.

CHARITY DAY

Our employees work to donate to local charities annually and contributions are matched dollar for dollar by McCormick to raise millions of dollars each year.

COMMUNITY SERVICE AWARDS

Employees who best embody McCormick's values through their commitment to communities receive cash prizes to donate to the charity of their choice.

FLAVOR FOR LIFE

McCormick partners with local nonprofits and government agencies to teach children, individuals, and families about healthier eating habits.



CASE STUDIES

Giving Back Globally

United States

McCormick's Flavor For Life program aims to teach children, individuals and families how to reduce their salt, fat and sugar intakes while boosting flavor through the use of herbs and spices. We work with community organizations to hold interactive and engaging educational activities and our Flavor For Life Ambassador program trains employees to deepen their impact in the community through healthy eating education. From 2016 to 2019, Flavor For Life had more than 180,000 hands-on interactions in our communities, contributed more than \$1.9 million to healthy eating programs, and distributed more than 160,000 meals to families in need.

United Kingdom

McCormick UK launched the Passion for Giving group, which inspires employees to engage in charitable giving and volunteering where they live and work throughout the year. Over 500 employees selected a charity of the year, Hospice Care, and fundraising activities to benefit the organization included raffles, a bonus ball lottery, a midnight walk, charity shop donations, and a Santa dash.

El Salvador

In 2017 and 2018, McCASA helped the deaf community create an internal program called enSeñas (InSigns), where employees were trained in sign language to help eliminate communication barriers to accommodate deaf employees. Other enSeñas activities included ASL (American Sign Language) classes and writing classes for deaf employees.

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OUR COMMITMENT TO Planet

As a global leader in flavor, we are committed to strategically reducing our impact on the environment. As we expand our portfolio of products, we remain dedicated to pursuing our environmental goals.

Our sustainability targets for 2025 were crafted to align with the global UN Sustainable Development Goals (SDGs) and highlight our commitment to reducing our greenhouse gas emissions, product & packaging waste, and water use.



- OUR COMMITMENT TO THE PLANET
- REDUCING OUR ENVIRONMENTAL IMPACT
- ADDRESSING CLIMATE CHANGE
- ENVIRONMENTAL MANAGEMENT SYSTEM
- SUSTAINABILITY & FOOD SAFETY
- AWARDS & RECOGNITION



Commitments

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Commitments	United Nations SDGs	2025 Goals*	Progress Toward 2025 Goals**
Increase use of branded, sustainably-grown herbs and spices	12 (Responsible Consumption and Production)	Source all herbs and spices in our portfolio sustainably, beginning with 100% of our branded iconic ingredients	2018: Black Pepper: 12% Cinnamon: 0% Oregano: 0% Red Pepper: 32% Vanilla: 7% 2019: Black Pepper: 24% Cinnamon: 0% Oregano: 4% Red Pepper: 60% Vanilla: 34%
Reduce greenhouse gas (GHG) emissions	13 (Climate Action)	20% absolute reduction in greenhouse gas emissions (Scope 1 & Scope 2) from our facilities	2018: 1% (Scope 1 and Scope 2 only) 2019: 1% (Scope 1 and Scope 2 only)
	7 (Affordable and Clean Energy)	16% absolute reduction in greenhouse gas emissions (Scope 3)**	
	11 (Sustainable Cities and Communities)		
Reduce water use	6 (Clean Water and Sanitation)	20% reduction in water use from our facilities	2018: 1%† 2019: 5%†
Solid waste recycling	12 (Responsible Consumption and Production)	80% recycling and recovery of solid waste from our facilities	2018: 61% 2019: 63%
Reduce packaging carbon footprint through the life cycle	13 (Climate Action)	25% reduction in carbon footprint from packaging	2018: 6% 2019: 8%
		100% circular plastics packaging	2018: 84% 2019: 84%

*Please note that the baseline year for all goals is 2015 unless otherwise noted.
 **2017 is the baseline year for this goal, which is to be met by 2030.
 †Adjusted for product mix effects and production volume.
 †† Progress data for 2018, 2019 and 2020 can be found here.



McCormick's Sustainable Sourcing Framework

At McCormick, we stand by the sustainability of our products. To underscore our commitment in this area, we are working to introduce our Sustainable Sourcing Framework, which provides a McCormick definition of "Sustainably Sourced." It outlines our vision through a theory of change and explains how suppliers will be engaged to deliver on PLP targets and rated on their performance. Supplier performance will subsequently be verified by a credible third-party. This framework is the first of its kind in the herb and spice industry and illustrates our dedication to advancing accountability and performance in the sustainability space. Our approach builds upon the principles established by the Rainforest Alliance, but also includes standards around improving farmer resilience, elevating women's empowerment, and mandating ethical behavior at every level of the supply chain.

McCormick is going beyond the industry standard of sustainability to include farmer resilience and women's empowerment criteria. The farm-level sustainability definition is also complemented by a factory-level sustainability component for our suppliers, providing a holistic approach to sustainability.

McCormick's SUSTAINABLE SOURCING PRINCIPLES



- Traceability
- Integrated Pest And Disease Management
- Soil And Nutrition Management
- Biodiversity
- Water Management
- Waste Management
- Farm & Financial Management



- 1 Farmer Livelihoods & Resilience
- 2 Gender Equality/ Women's Empowerment
- 3 Ethical Supply Chain

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“

We consider this document to be a key impactful tool that would position McCormick & Company amongst the frontrunner companies in sourcing sustainable spices and vanilla.

TONY BRUGGINK
Program Director, Fresh and Ingredients, IDH The Sustainable Trade Initiative

This is the first time that IFC's GTSF program, which links supplier finance pricing to sustainability standards, will be applied in the food and agribusiness sectors and we look forward to our continuing partnership.

TOMASZ TELMA
Senior Director, Manufacturing, Agribusiness and Services, The International Finance Corporation

Based on our expertise in sustainability programs and certification schemes, Control Union is positively surprised that McCormick's Framework exceeds the standard sourcing practices in the market. McCormick decided to include a progressive approach for Woman Empowerment and Farmer Resilience

FRANK VAN DER VELDEN
Managing Director, Control Union

”



Reducing Our Environmental Impact

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While our 2025 goals are always top of mind, we are taking measures to improve performance moving forward, especially in the areas of greenhouse gas emissions, water usage, and waste recycling. We're taking a hard look at gaps and opportunities across our global operations to see where we can make further improvements.

Three of our primary environmental focus areas are solid waste recycling, water use, and greenhouse gas emissions. We've made significant progress on our Scope 1 & 2 emissions targets, as we've been able to improve our energy efficiency and implement new technologies. Our recently announced agreement with the Skipjack Solar Center which is currently under construction in Virginia, will aid in our goal to reduce our greenhouse gas emissions when it comes on line by 2022. It is our biggest project to date in this area and will enable us to power our Maryland and New Jersey facilities with renewable energy. We are excited about the impact this will have on our environmental contributions and are looking for ways to incorporate similar initiatives across the business.

Some of our largest solid waste recycling facilities are performing at or above our targets. Our plant located in Hunt Valley, MD is recycling 81% of its solid waste and our Fidenza, Italy plant is recycling 92%. Moving forward, McCormick will leverage its best-in-class tactics employed by these facilities to implement new or grow existing programs at our lower-performing facilities in the coming years.

We are also looking to partner with external entities to identify opportunities to reduce water use and make improvements across the board. While our facilities do not use large amounts of water, we recognize that there is still work to be done and are taking steps to identify additional ways to make progress toward our 2025 goals. Two facilities which have made excellent water progress are Gretna, Louisiana with a 50% reduction and Guangzhou, China with a 36% reduction.

We know our goals are ambitious, and we remain dedicated to finding solutions to reach them.



While our acquisition of **French's Food Company** in 2017 increased our environmental footprint, it has not impacted our goals because we were able to include its impact in the 2015 baseline. In addition, the French's Food Company Springfield, MO plant had a positive impact on our greenhouse gas, and recycling goals in 2018.

BETWEEN 2015 & 2018

French's Springfield plant had already achieved McCormick's

solid waste recycling goal of

80%

& had a

5%

reduction in greenhouse gases.



Addressing Climate Change

A core piece of McCormick's sustainability work is to address climate change. We have several initiatives to reduce our greenhouse gas emissions, invest in renewable energy, and reduce our overarching carbon footprint on a global scale.

Greenhouse Gas Initiatives

SBTi-VALIDATED SCOPE 1, 2 AND 3 GOALS

Our scope 1, 2 and (newly established) 3 emissions goals have been validated by the Science Based Targets Initiative (SBTi), a non-governmental organization that validates greenhouse gas reduction goals to ensure they are in line with the latest climate science. These targets also meet the goals of the Paris Agreement—to limit global warming to below 2° C above pre-industrial levels.

As a recently announced 2021 UN Global Compact LEAD company, McCormick will outline our science-based plan to achieve 1.5°C in our upcoming 2021 Purpose-led Performance Progress Report.

Updated: October 2021

THIRD-PARTY VERIFICATION OF SCOPE 1, 2 AND 3 GREENHOUSE GAS DATA

A third party reviewed our 2018 greenhouse gas emissions data (and the underlying calculations) and found that the data reports provide a fair representation.

MCCORMICK'S NEW CLIMATE POLICY

At McCormick, we recognize the scientific consensus that our climate is changing, that human activity is driving that change, and that our business, our supply chain, and our customers are already feeling its effects. That's why we are committed to reducing our impact on climate change and to mitigate its effects on our operations, value chain, and the communities we serve. McCormick supports the Paris Agreement and other national, regional, and local solutions to address climate change and to make renewable energy more accessible. Additionally, McCormick partners with humanitarian aid organizations to build resilience in farming communities that are most vulnerable to the impacts from climate change. Lastly, McCormick is committed to better understanding the impacts of our ingredient sourcing on climate change, including the positive effects of good

agricultural practices and the outcome from educating our farming communities. In accordance with our policy, our focus is on the following areas:

- We have set science-based greenhouse gas emission reduction targets to increase the use of renewable energy, deploy modernized technology, and improve operational efficiency.
- We know that our actions alone cannot prevent climate change, but we work across our peer companies, suppliers, policy makers, and other stakeholders to find ways to collaboratively develop new climate change solutions.
- McCormick's sustainable sourcing strategy will support farming communities and suppliers to reduce these impacts and improve their resilience to climate change.

SUPPORT THE PARIS AGREEMENT and other national, regional and local solutions to address climate change and make renewable energy more accessible

PARTNER WITH HUMANITARIAN AID ORGANIZATIONS to build resilience in farming communities that are most vulnerable to the impacts from climate change

UNDERSTAND THE IMPACTS OF OUR INGREDIENT SOURCING on climate change, including the positive effects of good agricultural practices and the outcome from educating our farming communities



Environmental Management System

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McCormick’s global Environmental Management System (EMS) helps us identify and manage environmental risks across company operations and continuously improve them.

Our EMS uses a global recognition scoring system based on leading and lagging indicators to measure progress, including incidence, effective implementation of required management system elements, and engineering standards for our controls and monitoring. We aim for every facility to achieve “highly protected” status and 65% of our sites currently meet this criterion.

We attribute this success to:

1. The implementation of a sophisticated effluent monitoring program to assure continuous compliance
2. The installation of new wastewater treatment systems that meet our best practice design standards
3. The implementation of our EMS elements

McCormick & Company’s Environmental Policy

McCormick & Company, Inc. is committed to the continuous improvement of our environmental performance in our day-to-day business activity and to meet or exceed the requirements of all applicable environmental laws and regulations. Through management leadership and employee participation, we are committed to reducing the environmental impact of our activities through pollution prevention; promoting the sustainability of the natural resources upon which we depend, while providing quality products that meet the needs of our customers; complying with applicable environmental laws and regulations and contributing positively to the communities in which we operate. We expect all McCormick employees to carry out their job responsibilities in accordance with this policy and to report any environmental concerns they have to management.



LEED CERTIFICATION

McCormick has completed two LEED Certification projects in the past two years to help use our resources more efficiently, waste less, and reduce our impact on climate change.



HUNT VALLEY, MD



In 2018, we opened the new McCormick global headquarters in Hunt Valley, MD.

The facility is **LEED Gold-certified** and replaces three smaller buildings with one new green building that has already significantly lowered our energy and water usage.

The construction used locally sourced materials and the building has many sustainable features, including a green roof, chemical-free furniture made of recycled material, and a centralized waste management system.



AMATA, THAILAND



Also in 2018, we built a new **LEED Silver-certified** manufacturing facility in Thailand’s Amata Nakorn Industrial Estate that uses 100% LED lighting, highly efficient utilities, and distribution systems optimized to reduce losses.

The plant was also constructed sustainably, with a construction waste diversion rate of 90%.



Renewable Energy Initiatives

We have committed to a significant new solar power project in Virginia, which will provide **100% renewable energy** for our Maryland and New Jersey-based facilities. We expect this will save 27,000,000 lbs. CO2 eq. annually, which will account for 17% across our Americas Supply Chain, or 11% globally, by 2022.

We have also started using **100% renewable energy** from an existing wind farm in Texas which now powers our Texas facilities. This has resulted in a decrease in emissions of 4% across our Americas supply chain sites (a six-million-pound reduction).

100%

renewable electricity for facilities based in Maryland and New Jersey by 2022.



CASE STUDY

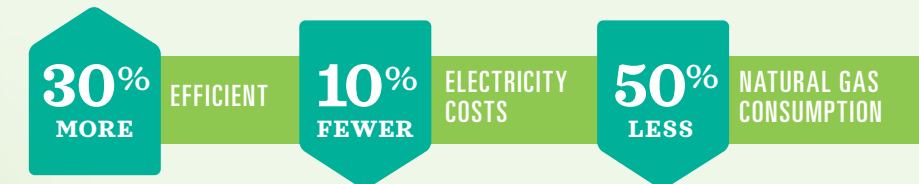
Resource Efficiency

Managing the resources we use is at the core of our environmental management, which is why it's vital that we implement projects to improve efficiency.

In the past year, we have implemented several initiatives to support energy efficiency.

In 2018, our Dallas manufacturing plant implemented a new compressed air system with heat recovery. Replacing an obsolete compressed air system, this new system has increased the efficiency of the facility's hot water heating by recovering waste heat and using it to produce hot water.

NEW SYSTEM DETAILS:



The system has reduced our carbon footprint at the plant as well.



The project was recognized by Energy Star as a **Top Energy Project of 2018.**

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Sustainable Agriculture

McCormick is dedicated to using high-quality and sustainably sourced ingredients across its entire product portfolio. We choose sustainable and ethical suppliers to guarantee that quality control starts at the beginning of the supply chain, which contributes to 80% of our carbon footprint, and is embedded in every process along the way.

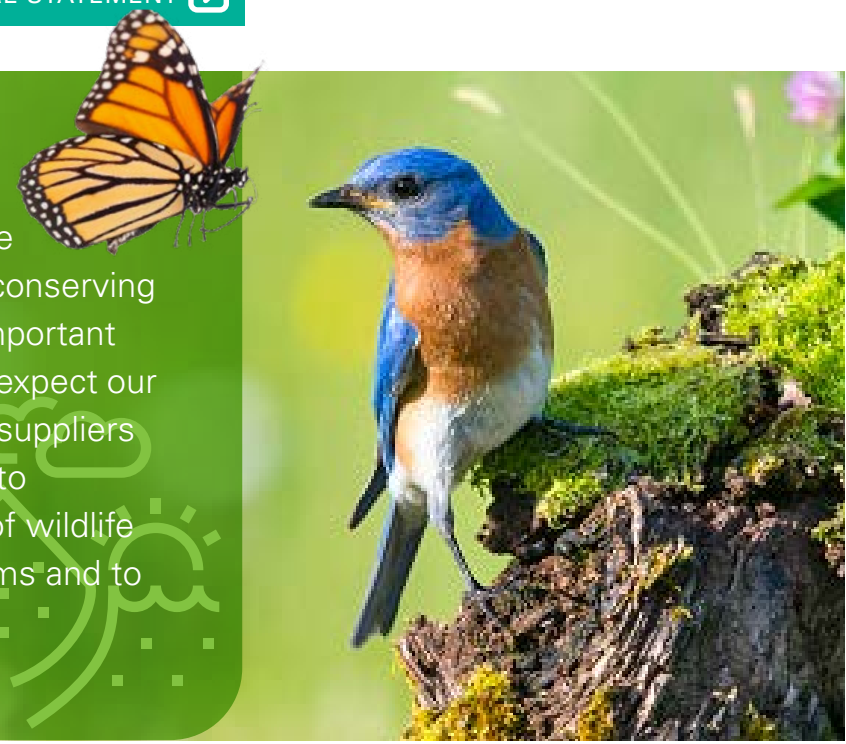
WE CONTINUOUSLY ASSESS OUR IMPACT AND LEVERAGE PARTNERSHIPS TO CREATE POLICIES THAT ENSURE WE WORK SUSTAINABLY AND STRENGTHEN MEASURES TO COMBAT AND ADAPT TO CLIMATE CHANGE.

[LINK TO OUR SUSTAINABLE AGRICULTURE STATEMENT](#)



Biodiversity

McCormick recognizes that the protection of biodiversity and conserving natural habitats are critically important to our global ecosystems. We expect our current and future agricultural suppliers to minimize actions that lead to deforestation or degradation of wildlife habitats and freshwater systems and to respect protected areas.



AT McCORMICK, we work hard to ensure that the materials in our products are produced responsibly by supporting the environmental and social sustainability of our suppliers and their local communities. In encouraging sustainable agriculture, we support farmers in implementing integrated pest management systems and ensure that their products are in accordance with all relevant laws and regulations. We also take measures to reduce water use and soil erosion, avoid habitat degradation and optimize energy efficiency where possible.

To measure our use of branded sustainably-grown herbs and spices, we use the Sustainable Agriculture Network's (SAN) 2017 standard for Rainforest Alliance certification. The certification incorporates social, economic, and environmental aspects of sustainability to verify that our smallholder farmers are complying with all SAN requirements.

- The principles on which the Rainforest Alliance Certification is built are:**
- Biodiversity conservation
 - Improved livelihoods and human well-being
 - Natural resource conservation
 - Effective planning and farm management systems

[LAUNCH VIDEO](#)

Protecting Bees Around The World



France

McCormick officially supports the work of French NGO, L'Observatoire Français d'Apiculture (L'OFA).

Located close to McCormick's facilities in Avignon, L'OFA acts to protect black bees in Provence, helping to cultivate crops and ensure the survival of vital ecosystems.

This partnership is supported by the launch of a new "Local Herbs" range from our brand Ducros, manufactured with a cooperative based in Provence where L'OFA will set up its bee hives. Our French employees plant seed flowers and our sales team supports the distribution of L'OFA honey to retailers for the "plant flowers for bees" campaign.

Canada

McCormick's Billy Bee Honey brand sponsors the University of Guelph's Honey Bee Research Centre, which supports essential and priority funding research for the health and well-being of honey bee populations across Canada and the world.

McCormick partners with the True Source Honey™ Certification program to ensure that all of our suppliers are traceable and the origins of their honey are transparent and ethical.

McCormick contributions and participation have also helped associations like the Canadian Honey Council provide a forum for stakeholders to talk and recommend action in the best interests of the Canadian honey bee industry.



SUSTAINABLE SOURCING

Palm Oil

McCormick isn't a large user of palm oil—and we don't produce it. However, due to our 2017 acquisition of the French's Food Company, we use palm oil in the production of specific French's products.

We are aware of and understand the risks around palm oil cultivation, which can include deforestation, violations of workers' rights, and unsafe working conditions.

To mitigate the use of palm oil in our products, McCormick has joined the Roundtable on Sustainable Palm Oil (RSPO) program, an organization that implements global standards for sustainable palm oil. By 2025, we've committed that all palm oil used within our supply chain will be sustainably sourced through the RSPO.

Additionally, we're working with other organizations, like the Consumer Goods Forum, to establish programs and processes to reduce risk surrounding palm oil and its sustainable production.

Cage-free Eggs

We've also made a new commitment to source 100% cage-free eggs for use in our products by 2025.

BY 2025, WE'VE COMMITTED THAT ALL PALM OIL USED WITHIN OUR SUPPLY CHAIN WILL BE SUSTAINABLY SOURCED.





Sustainable Packaging and Plastics

McCormick is committed to reducing the environmental impact from its plastic packaging by lowering its associated carbon footprint and eliminating plastic packaging that cannot be recycled, reused, or repurposed.

We're aiming to reduce the carbon footprint from our packaging by 25%, and in 2018 we added an additional goal to ensure that 100% of our plastic packaging can be reused, recycled, or repurposed.

McCormick calculates its global packaging carbon footprint and plastics usage and in North America we use 25,500 metric tons of plastic.

TO DATE, WE'VE REDUCED OUR PACKAGING CARBON FOOTPRINT BY OVER 12,500 METRIC TONS GLOBALLY AND ARE ON TRACK TO FURTHER REDUCE EMISSIONS BY 3,000 MORE METRIC TONS IN 2019.

Our progress is tracked using a life cycle assessment tool that determines the equivalent carbon dioxide emissions for each packaging format.

84% OF OUR CURRENT PLASTIC PACKAGING CAN BE RECYCLED, REUSED, OR REPURPOSED.

CARBON-BASED EMISSIONS REMOVED FROM PACKAGING VIA BOTTLE LIGHTWEIGHTING INITIATIVES (TO DATE).

7 MILLION KG PER YEAR



TO UNDERSCORE OUR COMMITMENT TO REDUCING OUR PACKAGING CARBON FOOTPRINT, WE'VE SIGNED THE New Plastics Economy Global Commitment.

Led by the Ellen MacArthur Foundation, along with other companies that represent 20% of all plastic packaging produced globally, the commitment highlights our goal to have 100% of plastic packaging that can be reused, recycled or re-purposed. The commitment will help eliminate plastic pollution at the source in support of a circular economy.



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SIGNIFICANT PACKAGING EFFORTS TO DATE

2025 PACKAGING GOALS

- 1. Achieved a 7% reduction in carbon footprint with our new First Choice packaging in Europe.
- 2. Added 10% post-consumer recycled material to our PET bottles, which will result in a reduction of over two million kg of carbon-based emissions per year.
- 3. Used less material in our plastic bottles, resulting in a packaging weight reduction.
- 4. Reduced packaging material in corrugated cases used for recipe mixes.
- 5. Redesigned metal cans to a fully recyclable PET container.
- 6. Reduced material for glass jars in Europe by 10%.

- 1. Increase the level of post-consumer recycled material in PET bottles to 35%.
- 2. Reduce glass weight in North American packaging.
- 3. Introduce bio-based polymers in plastic bottles.
- 4. Introduce post-consumer recycled material into high density polyethylene (HDPE) and polypropylene (PP) packaging components.
- 5. Develop new packaging to replace current laminated structures with 100% recyclable materials.



Product Safety

Because McCormick products reach consumers worldwide, it's imperative that we're able to ensure the safety of every product we sell. Our company prides itself on product safety and we invest significant human and financial resources to ensure the safety of our products from our suppliers to the grocery store shelves.

Our comprehensive food safety program consists of a documented Quality Management and Food Safety System and supply chain quality and integrity surveillance programs to assess and eliminate potential hazards, vulnerabilities and threats from our extensive global supply network. Every McCormick factory is certified in a Global Food Safety Initiative (GFSI) scheme requiring end-to-end quality and food safety excellence. The GFSI issues food safety standards and benchmarks to help consumers all over the world know that the food they purchase is safe and reliable.

We work across the globe to reduce the risk of food fraud in our supply chains. We have extensive testing programs in place and are building additional technical capabilities to prevent food fraud, assuring the safety, authenticity, and integrity of all McCormick products. To ensure consistency, we also train our global Quality Assurance staff to drive toward McCormick's standards of excellence.

We are committed to the value of bringing third-party accreditation to all our facilities.

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ABOUT THIS Report

McCormick & Company is a global leader in flavor. The company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavor products to the entire food industry including retailers, food manufacturers, and foodservice businesses. McCormick is also a partner in multiple joint ventures to manufacture and sell flavorful products.



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About McCormick

The company operates in two business segments: consumer and flavor solutions. Through the consumer segment, McCormick brands reach consumers in approximately 150 countries and territories, and customers span a variety of retailers that include grocery, mass merchandise, warehouse clubs, discount and drug stores, and e-commerce retailers served directly and indirectly through distributors or wholesalers. McCormick's leading brands in the Americas include McCormick®, French's®, Frank's RedHot®, Lawry's®, Club House®, Gourmet Garden®, OLD BAY®, Zatarain's®, Stubb's®, Thai Kitchen® and Simply Asia®. In Europe, the Middle East and Africa (EMEA), McCormick's major brands include Ducros®, Schwartz®, Kamis®, Drogheria & Alimentari®, and an extensive line of Vahiné brand dessert items. In China, we market our products under the McCormick and DaQiao® brands. In Australia, we market our spices and seasonings under the McCormick brand, our dessert products under the Aeroplane® brand, and packaged chilled herbs under the Gourmet Garden brand. In India, we market our spices and rice products under the Kohinoor® brand. Elsewhere in the Asia/Pacific region, we market our products under the McCormick brand as well as other brands.

Through McCormick's flavor solutions segment, the company provides a wide range of products to multinational food manufacturers and foodservice customers. McCormick supplies these customers with customized flavor solutions.

Hunt Valley, MD

Headquarters location

12,000

Approximately 12,000 Employees worldwide*

\$5.3 billion

2018 net sales

Worldwide

Major manufacturing operations in North America, Europe, the Middle East and Asia Pacific

The most significant raw materials used in our business are:

- | | |
|---|--------------------|
| PEPPER | ONION |
| DAIRY PRODUCTS | RICE |
| CAPSICUMS
<small>(Red pepper and paprika)</small> | WHEAT FLOUR |
| GARLIC | VANILLA |

*Please note that McCormick & Company had approximately 12,000 employees as of November 30, 2019.



Purpose-led Performance Governance

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We believe strong governance is the foundation for driving Purpose-led Performance (PLP). Many of our PLP impacts are managed at the operational level, while overall coordination and strategic direction is provided by McCormick's PLP Governance Council. This committee reports directly to the Board Chairman, President and CEO, and is composed of senior executives with direct responsibility for a variety of functional areas, including human resources, environment, packaging, sourcing, community relations, government affairs, communications, innovation and investor relations.

Given McCormick's position as a global flavor company, we fully understand the deep connections between our business and the major environmental and social trends impacting the world, including climate change, health and wellness, workforce diversity and community economic development. As such, we are actively working to continue improving our environmental management system, enhancing the sustainability of our packaging and using our products to deliver healthy, flavorful eating options. Our current plan is to publish a PLP report every two years to provide updates on our progress.

Public Policy

We believe it is important to educate policymakers and participate in public dialogue around issues we can positively contribute to. At the same time, we are careful to maintain our independence, as evidenced in our policies. McCormick does not contribute to candidates for public office or individual political campaigns, and employees at all levels must comply with applicable laws and internal policies.



STAKEHOLDER ENGAGEMENT



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External Partnerships

Since 2018, McCormick has engaged with multiple stakeholders worldwide to elevate and expand our Purpose-led Performance work. Examples include:

USAID, USDA, GIZ and NCBA CLUSA to improve the resilience of vanilla, black pepper and cinnamon farmers in Madagascar and Indonesia.

Rainforest Alliance to certify products to meet international sustainability standards

CARE to address the gender gap in agriculture and empower women farmers

International Finance Corporation (IFC) to support black pepper and vanilla farmers in Vietnam and Madagascar.

Universities including **Penn State, UCLA and UMass** to study food science and human nutrition to understand the health benefits of herbs and spices

WWF to perform risk assessments for key commodities and origins in order to develop a more sustainable supply chain that benefits both local communities and wildlife

Collaborate with **IDH** to provide agricultural training to black pepper farmers across Vietnam

Working with **FarmForce** to track farmer inputs and outputs

We are highly selective about the organizations with whom we partner and will continue to engage those who embody our values to deliver a healthier, more flavorful world.





Our Approach to Reporting

Materiality

To understand and prioritize our most critical and relevant environmental, social and governance (ESG) issues, McCormick engaged APCO Worldwide, a strategic communications consultancy, to refresh and expand its most recent full-scale materiality assessment (originally conducted by BSR in 2017). This expanded assessment and the issues identified helped inform the content and focus areas of this report.

McCormick's 2017 materiality assessment encompassed in-depth desk research, peer company benchmarking and information collection from past stakeholder interviews which led to the identification and prioritization of material topics. The 2019 assessment refreshed previous research to identify and prioritize new material topics for McCormick since the 2017 assessment and deprioritize less germane factors in 2019. These issues reflect significant impacts to McCormick's business and influence McCormick stakeholders, both internally and externally.

Disclaimer: In this communication and other sustainability reports and statements, the use of the terms "material," "materiality" and other similar terminology refers to topics that reflect McCormick's significant economic, environmental and social impacts or to topics that substantially influence the assessments and decisions of stakeholders in what the GRI Sustainability Reporting Guidelines define as "material topics." McCormick does not use these terms as they have been defined by or construed in accordance with the securities laws or any other laws of the United States or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting. No communication in this report or other sustainability statements are intended to be construed to indicate otherwise.

APCO Worldwide identified emerging topics that have been frequently cited over the past 12 months in sources including:

- Sector-specific and general media coverage of McCormick and industry peers
- McCormick's proprietary published literature, speeches and presentations
- Investor and analyst coverage of McCormick and peers, along with SASB standards specific to the investor community
- Employee questionnaires and forms
- Topics covered by food and beverage peers in sustainability reporting
- External NGO and advocacy group priorities and communications

Topics identified from these inputs were reconciled with the 2017 materiality assessment and informed recommended adjustments for 2019. The list below displays the most material issues to McCormick's business as identified through this process:

Material Topics

- PRODUCT SAFETY
- OCCUPATIONAL SAFETY/HEALTH
- ENVIRONMENTAL MANAGEMENT SYSTEMS
- RESOURCE EFFICIENCY AND WASTE**
- SUSTAINABLE PACKAGING AND PLASTIC USAGE**
- SUSTAINABLE SOURCING, SUPPLY CHAIN AND COMMUNITIES**
- GOVERNANCE, ETHICS AND TRANSPARENCY**
- DIVERSITY AND INCLUSION
- SUSTAINABLE AGRICULTURE*
- RESPONSIBLE MARKETING AND CONSUMER HEALTH*
- CLIMATE CHANGE AND GREEN HOUSE GAS EMISSIONS*
- ACQUISITIONS*
- INNOVATION AND ARTIFICIAL INTELLIGENCE*
- HUMAN RIGHTS*
- CULTURAL AND LOCAL RELEVANCE/RESILIENCE
- EMPLOYEE ENGAGEMENT

*New for 2019
**Adjusted for 2019

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About This Report

This report represents McCormick's second Purpose-led Performance report and the data referenced relates to the company's activities and performance for the 2018 and 2019 fiscal years, unless indicated otherwise. The numbers and content included in this report reflect McCormick's 2017 acquisition of Reckitt Benckiser's Food Division. The Performance report, included at the end of this report, was created in reference to the GRI standards.

We have used a variety of data collection methods, including survey results and software applications. The general information and data in this report have not been verified by an external assurance organization, but have been reviewed internally. We are confident in its accuracy and portrayal of McCormick's operations.

For additional information about McCormick & Company, please visit: www.mccormickcorporation.com



Forward-looking Statements

This McCormick & Co., Inc. ("McCormick" or the "Company"), Purpose-led Performance report contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements, including 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 inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the lack of successful acquisition and integration of new businesses, including the acquisition of RB Foods; 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, interest and inflation rates, the imposition of tariffs, quotas, trade barriers and other similar restrictions and the pending exit of the U.K. from the European Union (Brexit); the

effects of increased level of debt service following the RB Foods acquisition as well as the effects that such increased debt service may have on the company's ability to react to certain economic and industry conditions and ability to borrow or the cost of any such additional borrowing; the interpretations and assumptions we have made, and guidance that may be issued, regarding the U.S. tax legislation enacted on December 22, 2017; assumptions we have made regarding 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, including the threat of data breaches and cyber-attacks; fundamental changes in tax laws; volatility in our effective tax rate; climate change; infringement of intellectual property rights, and those of customers; litigation, legal and administrative proceedings. For additional information on these and other factors that could cause McCormick's actual results to materially differ from those set forth herein, please see McCormick's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. McCormick undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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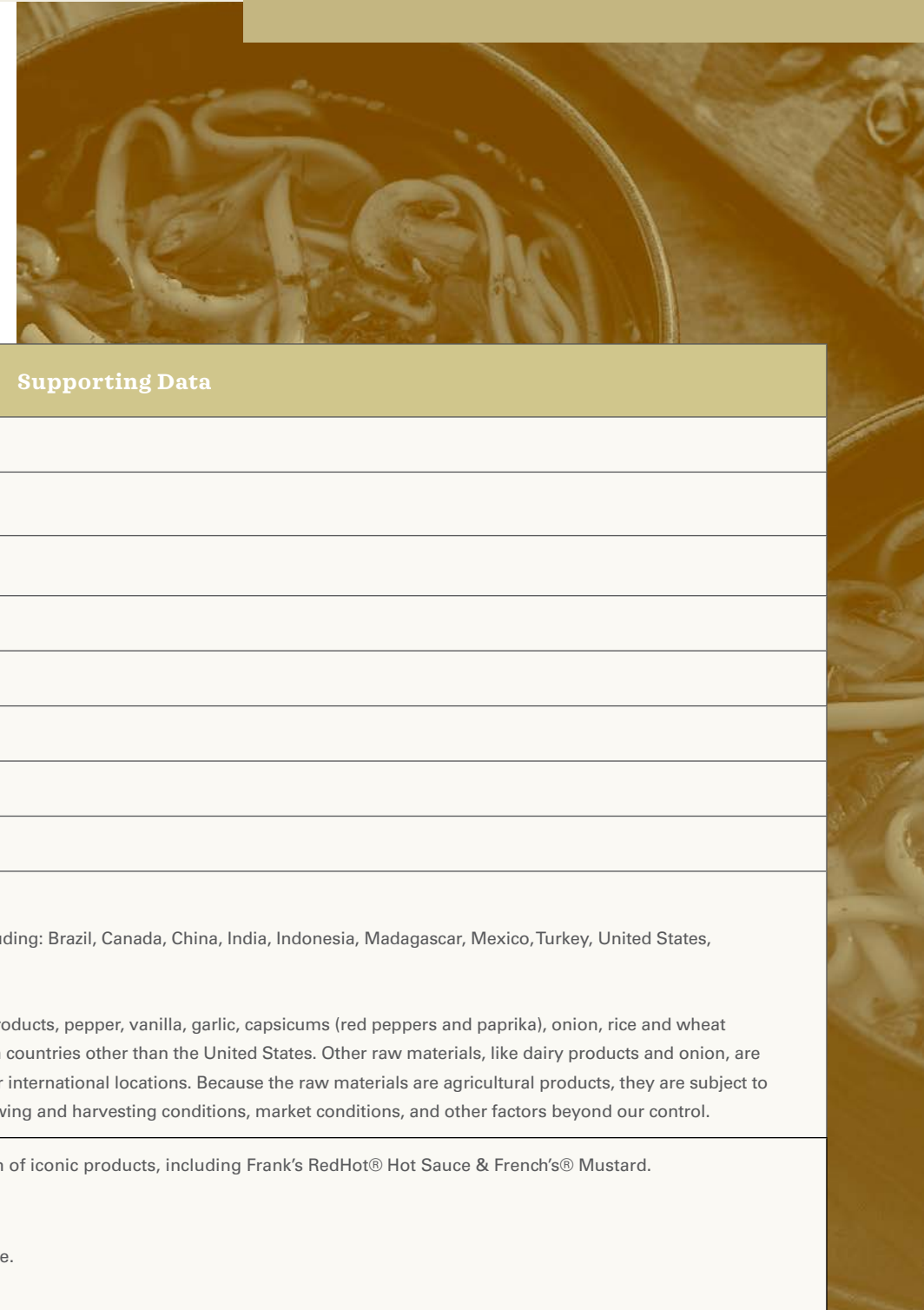
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Our Approach to Reporting

This report was produced in reference to the GRI Standards. GRI is an independent international organization that has pioneered sustainability reporting since 1997. As we move forward on our Purpose-led Performance journey, we will continue to measure and disclose data related to other top-tier material issues. Additional updates can be found on our corporate site under [Resources](#).



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GRI Standard	Disclosure	Supporting Data
102-1	Name of the organization	McCormick & Company, Incorporated
102-2	Activities, brands, products, and services	About McCormick
102-3	Location of headquarters	Hunt Valley, Maryland
102-4	Location of operations	Locations and Stakeholders
102-5	Ownership and legal form	Public Corporation
102-6	Markets served	About McCormick
102-7	Scale of the organization	About McCormick
102-8	Information on employees or other workers	About McCormick
102-9	Supply chain	<p>About McCormick</p> <p>McCormick ingredients are sourced from a variety of locations, including: Brazil, Canada, China, India, Indonesia, Madagascar, Mexico, Turkey, United States, and Vietnam.</p> <p>The most significant raw materials used in our business are dairy products, pepper, vanilla, garlic, capsicums (red peppers and paprika), onion, rice and wheat flour. Pepper and other spices and herbs are generally sourced from countries other than the United States. Other raw materials, like dairy products and onion, are primarily sourced locally, either within the United States or from our international locations. Because the raw materials are agricultural products, they are subject to fluctuations in market price and availability caused by weather, growing and harvesting conditions, market conditions, and other factors beyond our control.</p>
102-10	Significant changes to the organization and its supply chain	<p>In 2017, McCormick strengthened its flavor leadership with addition of iconic products, including Frank's RedHot® Hot Sauce & French's® Mustard. Press Release Acquisition Fact Sheet</p> <p>In 2020, McCormick completed the acquisition of Cholula Hot Sauce. Press Release</p>



GRI Standard	Disclosure	Supporting Data
102-11	Precautionary Principle or approach	<p>Our purchases of raw materials are subject to fluctuations in market price and availability caused by weather, growing and harvesting conditions, market conditions, governmental actions and other factors beyond our control.</p> <p>Please find all annual filings on our financial information page</p>
102-12	External initiatives	Partnering with Purpose
102-13	Membership of associations	<p>Food and Manufacturing Industry Groups Grocery Manufacturers Association (GMA) Food Marketing Institute (FMI) Consumer Goods Forum (CGF) The National Association of Manufacturers USDA Center for Nutrition Policy and Promotion (CNPP) Academy of Nutrition and Dietetics (AND)</p> <p>Supplier Diversity Women Presidents' Educational Organization (WPEO) Women's Business Enterprise National Council (WBENC) Canadian Aboriginal & Minority Supplier Council (CAMSC) Capital Region Minority Supplier Development Council (CRMSDC) Diverse Manufacturing Supply Chain Alliance (DMSCA) National Veteran-Owned Business Association (NaVOBA) National Minority Supplier Development Council (NMSDC) Women's Enterprise Connect International (WEConnect)</p> <p>Ethical Sourcing and Sustainable Agriculture Sustainable Spices Initiative (SSI) Supplier Ethical Data Exchange (SEDEX) Roundtable on Sustainable Palm Oil (RSPO) Sustainable Vanilla Initiative (SVI) Sustainable Agriculture Initiative (SAI)</p>
102-14	Statement from senior decision-maker	To our stakeholders
102-15	Key impacts, risks, and opportunities	Please find all annual filings on our financial information page
102-16	Values, principles, standards, and norms of behavior	Business Ethics Policy
102-17	Mechanisms for advice and concerns about ethics	Business Ethics Policy
102-18	Governance structure	Corporate Governance

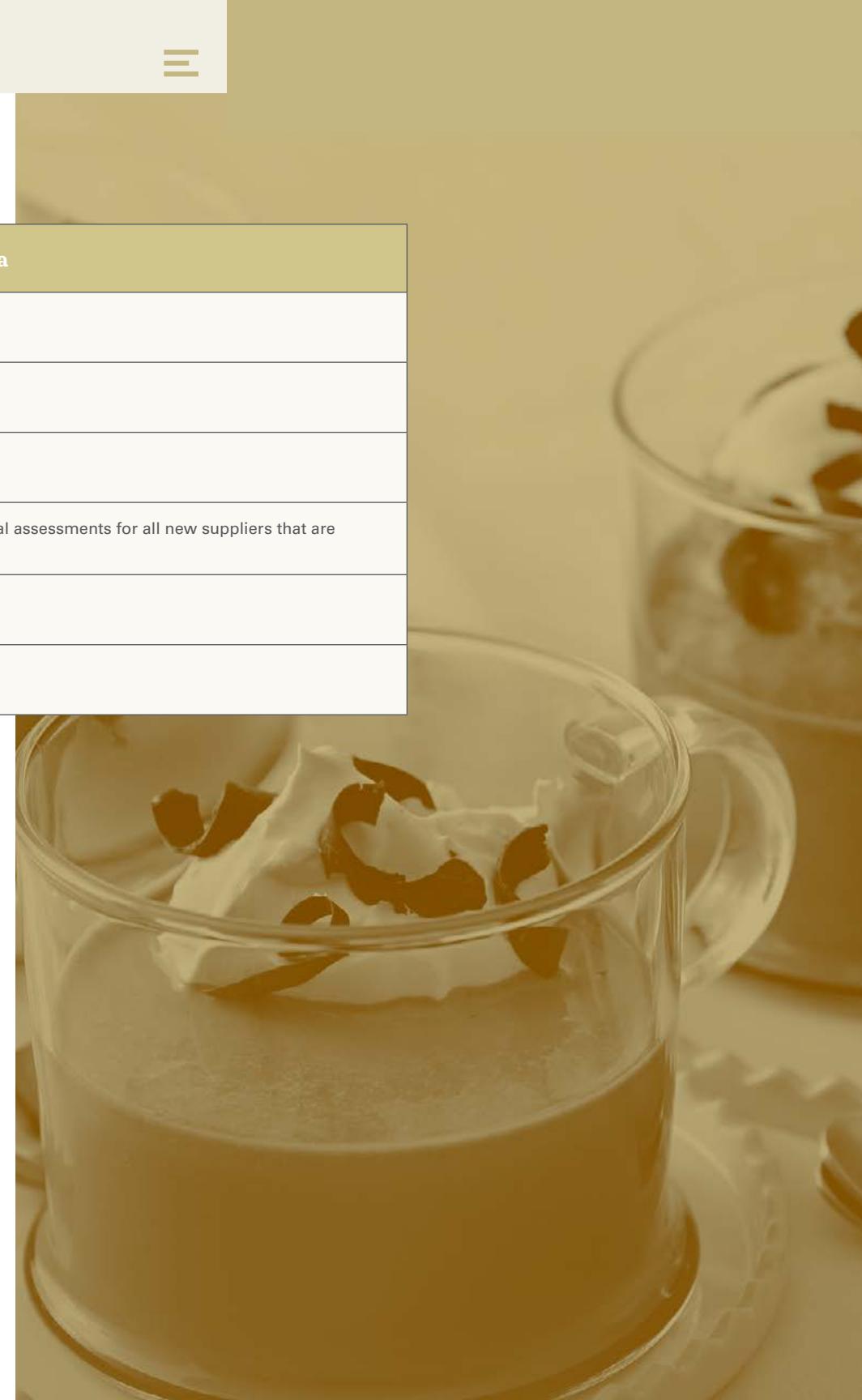
GRI Standard	Disclosure	Supporting Data
102-20	Executive-level responsibility for economic, environmental, and social topics	Purpose-led Performance Governance
102-40	List of stakeholder groups	Locations and Stakeholders
102-41	Collective bargaining agreements	As of the end of fiscal year 2019, we had approximately 300 employees covered by a collective bargaining contract in the United States. At our foreign subsidiaries, approximately 2,500 employees are covered by collective bargaining agreements or similar arrangements. Please find all annual filings on our financial information page
102-45	Entities included in the consolidated financial statements	Please find all annual filings on our financial information page
102-46	Defining report content and topic boundaries	Our Approach to Reporting
102-47	List of material topics	Our Approach to Reporting
102-48	Restatements of information	Revenue for 2016, 2017 and 2018 Restated due to the adoption of accounting standards update ASU2014-09. Please find all annual filings on our financial information page
102-49	Changes in reporting	Our Approach to Reporting
102-50	Reporting period	December 1, 2018 - November 30, 2020, where available
102-51	Date of most recent report	January 2020 updated in March 2021
102-52	Reporting cycle	Biennially
102-53	The contact point for questions regarding the report or its contents	Lori Robinson



GRI Standard	Disclosure	Supporting Data
201	Economic Performance	Please find all annual filings on our financial information page
204	Procurement Practices	A Closer Look at our Goals Our Commitment to Communities Our Commitment to the Planet
206	Anti-Competitive Behavior	Business Ethics Policy Please find all annual filings on our financial information page
302	Energy	Energy
303	Water and Effluents	Water and Effluents
305	Emissions	Emissions
306	Waste	Waste
308	Supplier Environmental Assessment	McCormick works with SEDEX and SMETA for some Environmental assessments for all new suppliers that are defined as critical and high risk in our supply chain.
403	Occupational Health and Safety	Occupational Health and Safety
404	Training and Education	Training and Development
405	Diversity and Equal Opportunity	Diversity & Inclusion
408	Child Labor	Human Rights



GRI Standard	Disclosure	Data
409	Forced or Compulsory Labor	Human Rights
412	Human Rights Assessment	Human Rights
413	Local Communities	Our Commitment to Communities
414	Supplier Social Assessment	McCormick works with SEDEX and SMETA for social assessments for all new suppliers that are defined as critical and high risk in our supply chain.
416	Customer Health and Safety	Product Safety
417	Marketing and Labeling	Transparency



Locations and Stakeholders

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Location of Manufacturing Operations*			Stakeholders
Australia	India	United States	Communities
Melbourne	New Delhi	Aberdeen, Maryland	Consumers
Palmwoods	Italy	Atlanta, Georgia	Customers
Canada	Florence	Belcamp, Maryland	Employees
London, Ontario	Mexico	Byhalia, Mississippi	Farmers
Mississauga, Ontario	Cuautlan de Romero Rubio	Commerce, California	Government
China	Poland	Gretna, Louisiana	Industry Associations
Guangzhou	Stefanowo	Hunt Valley, Maryland	Investors
Shanghai	Thailand	Irving, Texas	Non-Governmental Organization (NGOs)
Wuhan	Chonburi	Lakewood, New Jersey	Peers
France	United Kingdom	Salinas, California	Regulatory Agencies
Carpentras	Haddenham, England	South Bend, Indiana	Retail Customers
Compans	Heywood, England	Springfield, Missouri	Suppliers
Monteux	Littleborough, England		Workforce

*This list represents McCormick's principal manufacturing and distribution facilities as disclosed in our Form 10-K for the 2020 fiscal year.

2020 Interim Update

2020 was an extraordinary year for McCormick. With the power of our people, the company delivered strong financial results and persevered through the pandemic under extraordinary circumstances which proved the strength of our business model and the value of our products and capabilities. Our Purpose-led Performance approach to operating allowed us to deliver against stakeholder expectations while continuing to do what's right for people, communities, and the planet we share. As a global leader in flavor and an essential provider of products to the entire food industry, we are grateful to our approximately 13,000 employees around the world who remain dedicated and focused against our priorities to ensure the health and safety of our employees and the integrity of our products, to keep our brands and our customers' brands in supply, and to emerge stronger as a company.

Transparency regarding environmental, social, and governance factors are more important than ever to our stakeholders. As a company, we have made progress toward our 2025 global goals with more work to be done in several areas over the next few years to achieve our commitments. Our next official Purpose-led Performance Report which will include results through fiscal 2021 will be published in early 2022, while the updates to the performance report on the following pages reflect our 2020 data.

You will find information about the progress McCormick has made with our farmer livelihood initiatives where we are now collaborating and supporting over 18,000 farmers, and during the pandemic, the company increased charitable donations to over \$10 million to help efforts related to Food Insecurity, Restaurant relief and Social justice. We have made significant progress toward the sustainable sourcing of our five iconic ingredients (Black Pepper, Vanilla, Cinnamon, Oregano and Red Pepper). Lastly, McCormick has officially surpassed our 2025 goal on the increase in the number of research articles published through the McCormick Science institute, an independent research institution with a mission to help improve public health.

Energy and water remain top priorities and, for renewable electricity, we have large projects coming online in 2022. We are also making investments in both new and existing manufacturing and warehousing facilities to reduce our overall carbon footprint and improve water use. Additionally, we remain steadfast and focused on our people goals and are committed to achieving our targets for employee health & wellness, as well as women and ethnically diverse talent in leadership positions by 2025.

We look forward to providing future updates on our progress in early 2022.



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Commitments	2025 Goals*	2018	2019	2020
Champion equality	50% women in senior leadership positions globally	Directors, Senior Directors, Vice Presidents, etc.:		
		39%	40%	40%
	30% ethnically diverse talent (EDT) in senior leadership positions in the U.S.	Directors, Senior Directors, Vice Presidents, etc.:		
		20%	23%	23%
	30% employee participation in Ambassador Groups globally	12%	13%	14%
Educate & develop employees	95% of all employees globally with active development goals	A new global HR system to track our progress against our 95% goal will come online in 2021.		
Drive better health outcomes	80% of employees participating in voluntary health and well-being programs globally	We are redefining our approach to have a formal global structure and strategy in place by 2022.		
	50% increase in number of McCormick Science Institute citations in professional literature **	36%	81%	120%
	90% of products with improved transparency (non-GMO, BPA-free, organic)	38%	37%	***
Additional Disclosures	Comments			
Fatalities		0	0	0
Lost Time Injury Rate	LTIs per 200 000 hours	0.35	0.30	0.29
Lost-Time Injury Frequency Rate (LTIFR)	LTIs per million hours worked	NA	NA	1.45
Occupational Illness Frequency Rate (OIFR)	Occupational Illnesses per million hours worked	NA	NA	0
Employee Turnover	Number of terminated employees / number of employees that could have terminated	13%	14%	12%
Employee Turnover	(New Methodology) Number of terminated employees / average number of employees per day	18%	18%	13%
Women in Executive Management	Direct reports to the CEO	27%	27%	25%
Women Board Directors		27%	30%	36%
Racially Diverse Board Directors	As of November, 2020	NA	27%	36%†
Racially Diverse Executives	As of November, 2020	NA	9%	14%
Paid Sick Leave		8 days for US employees. Annual Shutdown for Christmas in the US - on average 4 or 5 days		

* Please note that the baseline year for all goals is 2015 unless otherwise noted.
 ** Baseline year 2017.
 *** Data to be provided in Q3 of 2021.
 † Race/ethnicity and national origin diversity.

Communities

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Commitments	2025 Goals*	2018	2019	2020
Increase resilience and Improve livelihoods of communities and Small farmers - especially Women	Increase resilience of 90% of smallholder famers that grow our key iconic herbs and spices, as measured by increasing skills and capacity, income, access to financial services, education, and nutrition and health	NA	45% (15,750)	52% (18,344)
	Black Pepper	NA	1,227	2,296
	Vanilla	NA	12,339	13,381
	Red Pepper	NA	1,200	1,200
	Oregano	NA	1,100	1,100
	Cinnamon	NA	NA	367
Increase Employee volunteering and giving through corporate programs	80% of employees participating in Charity Day globally	16%	20%	12%
Additional Disclosures	Comments			
Charitable Giving & Employee Volunteering	Corporate Giving	\$7,497,341	\$7,287,525	\$10,459,260

*Please note that the baseline year for all goals is 2015 unless otherwise noted.

Planet

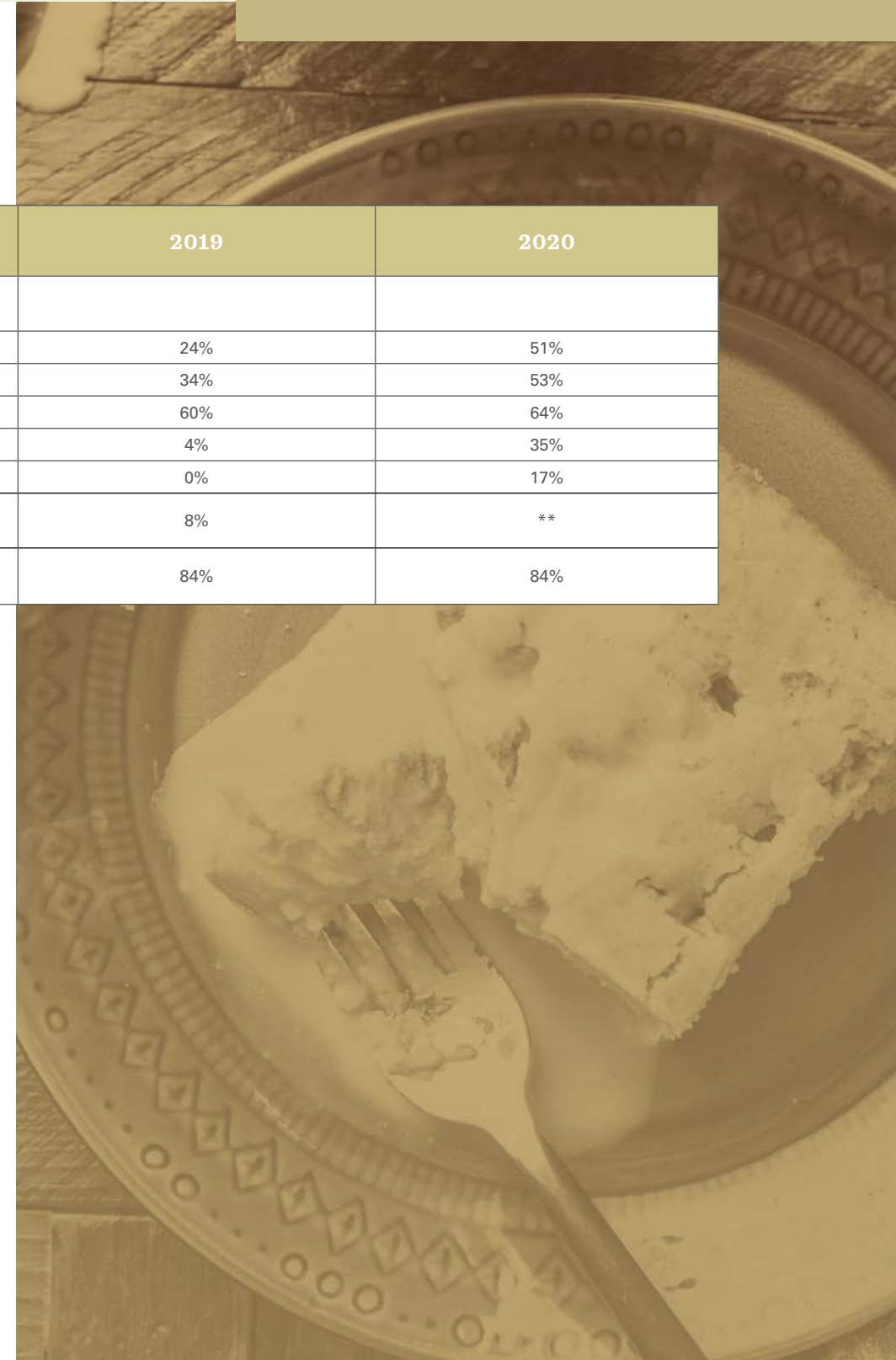
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Commitments	2025 Goals*	2018	2019	2020
Increase use of branded, sustainably grown herbs and spices	Source all herbs and spices in our portfolio sustainably, beginning with 100% of our branded iconic ingredients			
	Black Pepper	12%	24%	51%
	Vanilla	7%	34%	53%
	Red Pepper	32%	60%	64%
	Oregano	0%	4%	35%
Reduce packaging carbon footprint through the life cycle	Cinnamon	0%	0%	17%
	25% Reduction in Carbon footprint from packaging	6%	8%	**
	100% circular plastics packaging	84%	84%	84%

*Please note that the baseline year for all goals is 2015 unless otherwise noted.

** Data to be provided in Q2 of 2021.



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GRI Standard	Disclosure	2018	2019	2020
302	Energy Consumption within the organization (MWh)	381,377	388,243	397,203
	Non-renewable fuels purchased (nuclear fuels, coal, oil, natural gas, etc.) (MWh)	180,486	184,246	183,195
	Non-renewable Electricity purchased (MWh)	188,619	183,389	173,113
	Steam/heating/cooling and other energy purchased (MWh)	7,854	7,738	6,596
	Total renewable energy purchased or generated (MWh)	4,418	12,870	34,299
	Total non-renewable energy sold (MWh)	0	0	0
	Energy Reduction Projects	19	8	15
	Estimated annual CO2eq savings (metric tons CO2eq) (Mt)	1,683	5,221	6,490
	Total annual investment required	\$2,334,000	\$4,613,500	745,537
	Total anticipated annual cost savings	\$248,219	\$304,900	203,675
	Average Payback Period	9 Years	15 Years	4 Years

Water and Effluents

Goal:*
20% reduction in Water use from our Facilities **

GRI Standard	Disclosure	2018	2019	2020
303	Ground Water (Megaliters)	299	381	303
	Fresh Surface water (Megaliters)	NA	4	3
	Municipal Water (Megaliters)	1,864	1,952	1,937
	Total Net Fresh Water Consumption (Megaliters)	2,163	2,337	2,243
	Water use results	1% reduction	4% increase	4% increase
	Water Use Progress versus 2025 Goal	5%	0%	0%

* Please note that the baseline year for all goals is 2015 unless otherwise noted.

** Adjusted for product mix effects and production volume.



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Emissions

Goals:

20% absolute reduction in greenhouse gas emissions (Scope 1 & 2) from our facilities*

16% absolute reduction in greenhouse gas emissions (Scope 3) **

GRI Standard	Disclosure	2018	2019	2020
305-1	Direct (Scope 1) GHG emissions (CO ₂ eq) (Mt)	31,830	32,552	31,853
305-2	Energy indirect (Scope 2) GHG emissions (CO ₂ eq) (Mt)	93,662	92,755	87,427
305-5	Scope 1 and 2 GHG result versus 2025 Goal	1% increase	1% increase	4% decrease
	Scope 1 and 2 GHG progress versus 2025 Goal	0%	0%	20%
305-3	Total Scope 3 GHG emissions (CO ₂ eq) (Mt) †	2,463,035	2,587,752	2,632,627
	Total Scope 3 GHG emissions (CO ₂ eq) result versus 2025 Goal †	1% increase	1% increase	1.7% increase
	Scope 3 GHG emissions (Metric tons CO ₂ eq) within target †	1,869,859	1,901,328	1,957,027
	Scope 3 GHG results within target result versus 2025 Goal †	NA	2% increase	2.9% increase
305-6	Volatile organic compounds (VOC) emission	13	13	13
305-7	Nitrogen oxides (NO _x) air emission	25	26	27
	Sulfur oxides (SO _x) air emission	0	0	0
	Total Particulate Matter (PM) Emissions	2	2	2
	Environmental Violations > \$10,000 for 2018**	None ***	None ***	None ***

* Please note that the baseline year for all goals is 2015 unless otherwise noted.

** Please note that 2017 is the baseline year for this goal, which is to be met by 2030.

*** McCormick has not had any significant environmental violations or penalties in the past four fiscal years. Penalties less than \$10,000 individually are not considered significant.

† Results do not include the Cholula acquisition, data to be updated in Q3 of 2021.

Waste

Goal:
80% recycling and recovery of solid waste from our facilities

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GRI Standard	Disclosure	2018	2019	2020
306-2	Waste generated (Mt)	54,104	67,218	68,400
306-2	Waste recycled (Mt)	33,125	42,383	45,243
	Total Waste Disposed (Mt)	20,979	24,835	23,158
306-3	Significant Spills	None	None	None
	Solid waste and recycling results	61%	63%	66%
	Solid waste and recycling versus 2025 goal	76%	78%	80%

Additional Data

Disclosure	2018	2019	2020
Name of Largest Supplier	Dairy Farmers of America	Dairy Farmers of America	Dairy Farmers of America
Name of Largest Publicly Listed Supplier	OLAM International	OLAM International	OLAM International
Green/Clean revenue (Non-GMO, organic or sustainability sourced as a % of total revenue)	52%	52%	51%
Standardized Clean Revenue Segment	Organic and Sustainably Harvested: Food and Beverages		
Amount from Clean Revenue Segment	\$2,759 M	\$2,756 M	\$2,840 M
Total Clean Capital Expenditures	NA	10,628,467	
Sustainable Palm Oil Sourcing	NA	4% sustainable a) 1% - RSPO-certified by volume b) 3% - covered by RSPO Credits	100% sustainable a) 83% - RSPO-certified by volume b) 17% - covered by RSPO Credits