Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

McCormick & Company, Incorporated (McCormick) is a global leader in flavor. With over $6 billion in annual sales across approximately 160 countries and territories, we manufacture, market and distribute spices, seasoning mixes, condiments and other flavorful products to the entire food industry including e-commerce channels, grocery, food manufacturers and foodservice businesses. Our most popular brands with trademark registrations include McCormick, French's, Frank's RedHot, Stubb's, OLD BAY, Lawry's, Zatarain's, Ducros, Vahiné, Cholula, Schwartz, Kamis, DaQiao, Club House, Aeroplane and Gourmet Garden. Every day, no matter where or what you eat or drink, you can enjoy food flavored by McCormick. Founded in 1889 and headquartered in Hunt Valley, Maryland USA, McCormick is guided by our principles and committed to our Purpose – To Stand Together for the Future of Flavor. McCormick envisions A World United by Flavor where healthy, sustainable and delicious go hand in hand.

We are committed to combating the effects of climate change by adhering to targets informed by science for the reduction of carbon emissions, energy consumption, waste and water use. We acknowledge our need to play a part in addressing the risks of climate change by reducing our environmental impacts related to our GHG emissions, water use, solid waste, and packaging carbon footprint. We support all stakeholders, including those in government and business, who take steps to reduce GHG emissions within their scope of influence.

McCormick's responses in this Questionnaire may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. McCormick assumes no obligation to revise or update any information included in this Questionnaire.

W-FB0.1a/W-AC0.1a

(W-FB0.1a/W-AC0.1a) Which activities in the food, beverage, and tobacco and/or agricultural commodities sectors does your organization engage in?

Processing/Manufacturing

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	December 1, 2021	November 30, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Australia
Canada
China
El Salvador
France
India
Italy
Mexico
Poland
Portugal
South Africa
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Facilities which use less than 500,000 gallons (1,900 m3) per year.	Water usage facilities which use less than 0.25% of McCormick's total water use per year are excluded. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	MKC-V: US5797801074 MKC: US5797802064
Yes, a CUSIP number	MKC-V: 579780107 MKC: 579780206
Yes, a Ticker symbol	MKC-V MKC
Yes, a SEDOL code	MKC-V: N/A MKC: 2550161

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	For our direct use sufficient amounts of good quality water are required in order to manufacture and process our products. The water is used primarily to clean food processing equipment and it is used as an ingredient in some of our products. The lack of good quality water in sufficient quantities could impact our ability to grow our business in the future. McCormick's direct operations however are not water intensive, therefore this is not considered very important as we are not a large consumer of water. For our indirect use (supply chain – scope 3) sufficient amounts of good quality water are required to grow the agricultural raw materials we source. We are continuing to work with farmers to reduce the amount of water required to grow crops. We have partnered with drip irrigation providers to supply farmers with modern irrigation systems at a subsidized rate. Overall, this was viewed as important instead of very important. While it is considered very important at some sites, it is not an issue at many sites therefore overall we consider this important. We do not believe this is likely to change in the next five years.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	The majority of the water we use in manufacturing (direct use) is for cleaning of food processing equipment and as an ingredient in some of our products. Recycled and brackish water is not feasible for this purpose. This is considered not very important because we cannot use brackish or recycled water. McCormick does not believe this is important for the sourcing of our agricultural raw materials (indirect use). We do not believe this is likely to change in the next five years.

W-FB1.1a/W-AC1.1a

(W-FB1.1a/W-AC1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Palm oil	Less than 10%	Sourced	The percent revenue for this commodity is less than 10%.
Rice	Less than 10%	Sourced	The percent revenue for this commodity is less than 10%.
Soy	Less than 10%	Sourced	The percent revenue for this commodity is less than 10%.
Other crop commodity, please specify Black Pepper	Less than 10%	Sourced	Black Pepper is one of McCormick's five iconic ingredients and represents the greatest percentage of the herbs and spices portfolio in terms of volume procured annually. Black Pepper is included in varying amounts in McCormick's product portfolio, and we do not have a figure on the % of revenue dependent on this agricultural commodity.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Yearly	The volumes of water entering our facilities are metered.	The reason we monitor water at our facilities is so that we know how much water we are using as an organization. Water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a

				significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water withdrawals – volumes by source	100%	Yearly	The volumes of water entering our facilities are metered and we track the sources they are pulled from.	The reason we monitor this is to know which facilities are dependent on ground water. A majority of our operations obtain water from municipal supplies. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water withdrawals quality	100%	Yearly	This is tracked through direct monitoring.	As a food company the quality of the water coming into the facility is very important. Immaterial water usage facilities are excluded which use

				less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water discharges – total volumes	100%	Yearly	This is tracked through direct monitoring.	McCormick have estimated water discharge in 2022 for our facilities. Discharge is equal to Withdrawal - Consumption. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water discharges –	100%	Yearly	This is tracked through direct monitoring.	Estimated discharge volumes have been

volumes by destination				assigned to known discharge destinations to calculate discharge by destination. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water discharges – volumes by treatment method	100%	Yearly	This is tracked through direct monitoring.	The treatment methods are important to ensure the correct treatment systems are in place as needed to properly treat our water before discharge. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact

				on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water discharge quality – by standard effluent parameters	100%	Yearly	This is tracked through direct monitoring.	The water discharge quality is important to know as part of our environmental management program to ensure we are in compliance. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored			We do not measure and monitor absolute emissions for these substances but in accordance to local regulatory authority requirements, we follow a specific sampling,

				measuring and reporting routine. We measure the substance levels in water (e.g. in milligrams per litre) are to check if allowed limits are breached.
Water discharge quality – temperature	1-25	Yearly	This is tracked through direct monitoring.	The destination of water temperature is important to know as part of our environmental management program to ensure we are in compliance. The majority of McCormick's facilities discharge to municipal treatment systems for further treatment and in those cases temperature is not as critical as direct discharge to a receiving body of water.
Water consumption – total volume	100%	Yearly	This is tracked through direct monitoring.	Consumption was estimated using the percentage of water in products and total volumes. Discharge is equal to Withdrawal - Consumption. Immaterial water usage facilities are excluded which use less than 0.25% of McCormick's total water use per year. We believe the total

				number of excluded facilities are also insignificant and does not have a significant impact on the overall water usage. McCormick defines facilities as any manufacturing plants, distribution centers and office buildings.
Water recycled/reused	Not monitored			This is not monitored. The majority of the water we use in manufacturing (direct use) is for cleaning of food processing equipment and as an ingredient in some of our products. Recycled water is not feasible for this purpose.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	This is tracked through direct monitoring.	It is important that McCormick provide adequate water and sanitation at our facilities.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain

Total withdrawals	2,560	About the same	Facility expansion	About the same	Other, please specify Water withdrawals are not expected to change significantly in the future, as there are many variables which impact water withdrawals, such as product mix, length of production runs and changeovers which are not expected to change significantly.	The water withdrawals have increased by 4.8% from 2021 to 2022 due to the inclusion of new operating facilities. If the % difference in volume is less than 25%, the change is considered to be 'Much lower', if it is higher than 25% it is considered to be 'Much higher' and if it's within 10% it is considered to be 'About the same'.
Total discharges	2,340	About the same	Facility expansion	About the same	Other, please specify Water withdrawals are not expected to change significantly in the future and hence discharges are expected to remain at about the same volume.	Discharge is equal to Withdrawal - Consumption. Discharge has increased by 4.6% from 2021 to 2022. This is mainly due to an increase in total water withdrawal. If the %

						difference in volume is less than 25%, the change is considered to be 'Much lower', if it is higher than 25% it is considered to be 'Much higher' and if it's within 10% it is considered to be 'About the same'.
Total consumption	220	About the same	Facility expansion	About the same	Other, please specify Water withdrawals are not expected to change significantly and we don't expect any major changes to our business, hence consumption is expected to remain at about the same volume.	McCormick's water consumption reported covers the water which is present in its products. Consumption has increased by 7% from 2021 to 2022. If the % difference in volume is less than 25%, the change is considered to be 'Much lower', if it is higher than 25% it is considered to be 'Much

						higher' and if it's within 10% it is considered to be 'About the same'.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	51-75	About the same	Other, please specify Water withdrawal volumes have not changed significantly, and the location of facilities have not changed significantly.	About the same	Other, please specify Water withdrawals are not expected to change significantly in the future and there will be no major change to the location of our facilities.	WRI Aqueduct	McCormick use the WRI Aqueduct tool to understand how our facilities relate to areas of water stress. This was used to determine which sites are in water stressed areas, to improve our internal understanding of water risks. Water stress is defined by

								the WRI Aqueduct tool as the ratio of total water withdrawals to the available renewable surface and groundwater. The percentage of facilities in areas of water stress remained about the same.

W-FB1.2e/W-AC1.2e

(W-FB1.2e/W-AC1.2e) For each commodity reported in question W-FB1.1a/W-AC1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Palm oil	Not applicable	Yes	McCormick sources 83.1% of our palm from the Indonesian states of Kuala Tanjung, Pulo Gadung, Paya Pasir, Bitung and Padang and 4.3% from the Malaysian states of Bintulu, Pasir Gudang, Butterworth and Lahad Datu which are not areas of water stress. The jurisdictional source of the remaining 12.6% is unknown. The WRI Aqueduct tool was used to identify regions of water stress.
Rice	Not applicable	No, we do not have this data	This commodity is not a short term focus in this area due to other strategic raw

		and have no plans to obtain it	materials objectives from a global sourcing standpoint.
Soy	Not applicable	Yes	McCormick sources 48.8% of their soy from Iowa and Pennsylvania in the United States and 50.6% from China, these regions are not areas of water stress. The source of the remaining 0.6% is from unknown jurisdictions in Brazil. The WRI Aqueduct tool was used to identify regions of water stress.
Other commodities from W-FB1.1a/W-AC1.1a, please specify Black pepper	Not applicable	No, not currently but we intend to collect this data within the next two years	McCormick sources black pepper from suppliers in Vietnam, Brazil, India and Indonesia. We have not yet mapped these growing regions against water stressed areas.

W-FB1.2g/W-AC1.2g

(W-FB1.2g/W-AC1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a/W-AC1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Palm oil	0%	McCormick sources 83.1% of our palm from the Indonesian states of Kuala Tanjung, Pulo Gadung, Paya Pasir, Bitung and Padang and 4.3% from the Malaysian states of Bintulu, Pasir Gudang, Butterworth and Lahad Datu which are not areas of water stress. The jurisdictional source of the remaining 12.6% is unknown.
Soy	0%	McCormick sources 48.8% of their soy from Iowa and Pennsylvania in the United States and 50.6% from China, these regions are not areas of water stress. The source of the remaining 0.6% is from unknown jurisdictions in Brazil

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous	Primary reason for comparison with	Please explain

			reporting year	previous reporting year	
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	4.85	Much higher	Facility expansion	Withdrawals have increased by 66% compared with 2021. Withdrawals from fresh surface water occurs only at one site in Australia, which is dependent on rainfall patterns.
Brackish surface water/Seawater	Not relevant				This is not applicable, as no sites withdraw brackish water or seawater.
Groundwater – renewable	Relevant	378.28	About the same	Facility expansion	Five facilities withdraw water from this source. In 2022, water withdrawals from this source were 3% higher compared to 2021.
Groundwater – non-renewable	Not relevant				This is not applicable, as no sites withdraw non-renewable groundwater.
Produced/Entrained water	Not relevant				This is not applicable, as no sites withdraw Produced/Entrained water.
Third party sources	Relevant	2,176.44	About the same	Facility expansion	A majority of facilities withdraw water from municipal supplies. In 2022, water withdrawals from this source were

					5% higher than in 2020.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant				This is not applicable, as no sites discharge to fresh surface water.
Brackish surface water/seawater	Not relevant				This is not applicable, as no sites discharge to brackish water .
Groundwater	Not relevant				This is not applicable, as no sites discharge to groundwater.
Third-party destinations	Relevant	2,340	Higher	Change in accounting methodology	All of our facilities discharge to third party destinations. This increased by 12% in 2022 compared with 2021. 2 of our sites which we previously reported as discharging to Fresh surface water actually discharge to third-party destinations.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					McCormick discharges do not require tertiary treatment processes.
Secondary treatment	Relevant	107.7	Much higher	Increase/decrease in business activity	1-10	PH adjustment and dissolved air flotation treatment occurs at several sites which go on to municipal treatment to remove fats, oil and grease.
Primary treatment only	Relevant	1,055.42	Much lower	Increase/decrease in business activity	41-50	PH control measures are done before sending on to municipal treatment.

Discharge to the natural environment without treatment	Not relevant					McCormick does not discharge to our surrounding natural environment without treatment.
Discharge to a third party without treatment	Relevant	1,176.4	Much higher	Increase/decrease in business activity	41-50	Remaining water discharge is sent via municipal water systems to third party treatment plants.
Other	Not relevant					McCormick is not aware of water discharge from our facilities not covered by the above.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	6,350,500,000	2,560	2,480,664.0625	We anticipate that the forward trend is will be downward for water efficiency as McCormick has made progress

				against our water efficiency goal for 2030.

W-FB1.3/W-AC1.3

(W-FB1.3/W-AC1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a/W-AC1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Palm oil	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We do not produce this commodity.
Rice	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We do not produce this commodity.
Soy	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We do not produce this commodity.
Other commodities from W-FB1.1a/W-AC1.1a, please specify Black pepper	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We do not produce this commodity.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	Unknown	

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Supplier dependence on water
Supplier impacts on water availability
Supplier impacts on water quality

Number of suppliers identified as having a substantive impact

172

% of total suppliers identified as having a substantive impact

1-25

Please explain

McCormick assesses suppliers based on their water stress and water pollution prevention as well as water management related initiatives.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

1-25

% of suppliers with a substantive impact in compliance with this water-related requirement

1-25

Mechanisms for monitoring compliance with this water-related requirement

Certification
On-site third-party audit
Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

Suppliers need to have a G4G certification or other equivalent certifications which are benchmarked to FSA Silver, which require water aspects to be reported and 3rd party audited.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Educate suppliers about water stewardship and collaboration

% of suppliers by number

1-25

% of suppliers with a substantive impact

1-25

Rationale for your engagement

Our supplier engagement initiatives informs our risk mitigation strategies in areas vulnerable to draughts. It enables us to promote initiatives such as drip irrigation.

Impact of the engagement and measures of success

An example of such an initiative is a program McCormick has a to provide clean and safe drinking water to drought prone areas in India to reduce dependency on surface water.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Other, please specify

US AID, USDA, GIZ

Type of engagement

Innovation & collaboration

Details of engagement

Encourage stakeholders to work collaboratively with other users in their river basins toward sustainable water management

Rationale for your engagement

Our customer engagement initiatives informs our risk mitigation strategies in areas vulnerable to draughts. It enables us to promote initiatives such as drip irrigation.

Impact of the engagement and measures of success

An example of such an initiative is a program McCormick has a to provide clean and safe drinking water to drought prone areas in India to reduce dependency on surface water.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	McCormick sites are subject to local regulatory waste water limits of pollutants. At regular intervals determined by the local water utility companies, samples are taken for laboratory assessment. If breaches of limits are found to have happened, a root cause analysis investigated and a second sample is taken for assessment. A fine or penalty is issued if the

		second sample and/or reasonable explanation is not given. In 2022, none of McCormick's sites were subject to fines, enforcement orders and/or other penalties for water-related regulatory violations.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Each country has regulatory standards and requirements, and we use these to identify water pollutants. McCormick has General Engineering Minimum Standard (GEMS) for wastewater treatment plant design and pollutant monitoring. The standards define and classify the pollutants that need to be monitored. The GEMS standard sets minimum levels expected of three classes of pollutants – Total Suspended Solids (TSS), Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD). However, the pollutants measured for all wastewater include TSS, COD, BOD and others like sulphites, phosphates etc.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

Other nutrients and oxygen demanding pollutants – High chemical or biological oxygen demand in wastewater causes organic contamination of water resources that can change the delicate aquatic ecosystem leading to death to some organisms.
Phosphates – consumption of available oxygen in water that would lead to eutrophication >> leads to growth of algae leading to death of living organism
Others (inorganic pollutants e.g. metals, pesticides,, salts, sulfates etc.) – because they

are nonbiodegradable, they can be harmful to human health and aquatic life when not treated adequately or wrongfully discharged,

Value chain stage

Direct operations
Supply chain

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods

Please explain

For all our sites, we have a solid waste management plan that segregates different types of waste into plastic, paper, metal and organic waste to maximize recyclability. Solid waste recycled is one of our corporate sustainability KPIs.

We have emergency response plans in place for industrial and chemical accidents

Every year we assess each wastewater treatment plant for performance and efficacy against McCormick's Global Environmental Management Standards (GEMS). Every plant is evaluated for design and performance every year. Success means that the plant is compliant and ensures that adverse impacts are minimized. When the standards are not met, a recommendation to upgrade is made. For example, Haddenham upgraded their wastewater treatment plant in 2022-23 following a GEMS assessment. We have also built a new plant to the latest technology in our Peterborough site in UK.

Discharge treatment using sector-specific processes have specific waste treatment plant design and monitoring dependent on product made and type of waste generated that could be pollutants. These are all included in the minimum standards set by the local authority as well as McCormick's GEMS

Performance of how we minimize adverse impacts of water pollutants is measured against the maximum levels set by the local water authorities. Success means that samples tested are always within the stipulated discharge consents and that no breaches are observed.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Other, please specify

All sites are assessed for Water risks as part of annual environmental review. We use McCormick's Environmental Compliance Management (ECM) standard to assess these risks.

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used

Ecolab Water Risk Monetizer
WRI Aqueduct
Enterprise Risk Management
Environmental Impact Assessment
ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health
Implications of water on your key commodities/raw materials

Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other, please specify
Other internal stakeholders

Comment

Our water risk assessment is part of the enterprise-risk framework and its accountability is delegated to the supply chain function. With input from external experts, the function has developed an Environmental Compliance Management (ECM) programme that assesses all environmental risks and impacts of our operations including water related risks. The assessment includes consultation with relevant site's stakeholders including Health & Safety Managers, Operational Leaders, Sustainability Leads, Engineering as well as external stakeholders like the local water utility company.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Every three years or more

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market
Databases
Other

Tools and methods used

External consultants

Other, please specify

SEDEX, WWF and Maplecroft

Contextual issues considered

Implications of water on your key commodities/raw materials

Other, please specify

Country specific risk levels and in some cases crop- country specific risks levels assessing specifically risk levels of based on publicly available information: water pollution, water stress

Stakeholders considered

Suppliers

Comment

McCormick assesses all high risk and critical tier 1 suppliers through an online ESG platform and third party audits. McCormick has commissioned WWF to provide supply chain risk assessments for our five iconics materials at field level (black pepper, cinnamon, oregano, red pepper and vanilla). These assessments include water related risk associated with specific commodities and regions.

For all other direct procurement categories we have a risk assessment done by Maplecroft, leveraging publicly available information to assess and benchmark Water Pollution, Water Stress for 45 countries and 37 specific categories.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	For all sustainability engaged suppliers they have to come up with a risk mitigation strategy if the risk has been identified as high or greater. Environmental Compliance Management (ECM) – because we have many sites round the world, producing different products and	Water Pollution – This was selected because levels of pollutants in water discharges are regularly monitored by local water regulatory authorities. We get our license to operate by maintaining compliance to these	Sustainability suppliers+ sedex identified with high risk Local water utility providers Local communities where we	The ECM audit is carried by the Global Environmental Leaders as part of the supply chain sustainability team. They make recommendations for each site to achieve 100% compliance. The sites draw up an action plan which is agreed upon by the environmental impact and becomes a deliverable for the local management team.

	waste and operating under different regulatory environments, the ECM sets minimum standards for all MKC sites that ensures regulatory compliance and tailored approach to going to exceeding regulatory requirements.	set levels. It is also an important issue to McCormick as it is relevant to the human health of biodiversity of ecosystems dependent on the water systems we are part of. Water Stress was selected in order to assess what region's productions are more susceptible to droughts or floods.	operate in	

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

McCormick prioritizes risk based on Impact, Vulnerability and Velocity, as defined in our proprietary Risk Rating Criteria. A risk assessment methodology is used which includes but is not limited to the following factors: Damage to our reputation or brand name, Consolidation of customers, Procurement of raw materials, Laws and regulations, Disasters, business interruptions or similar events.

Risk/opportunities are those risks that are reasonably possible, financially significant, and are defined by an impact of $20M or more.

CDP's definition of substantive risk and our response to questions presenting "substantive" risks should not be considered to relate to matters or facts deemed "material" to reasonable investors as referred to under U.S. securities laws or similar requirements from other jurisdictions. Investors should refer to disclosures in our Annual Report on Form 10-K ("10-k")

and in other filings with the US Securities and Exchange Commission, including our quarterly reports on form 10-Q and our current reports on Form 8-K, for a discussion of “material” matters.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	0	Less than 1%	Water risk screening for our facilities is determined by the WRI Aqueduct tool. While McCormick has facilities which are in areas of water stress, this does not represent a material risk to the company. Our facilities are not water intensive and in most cases water could be trucked in if unavailable. While this would be more costly it would not rise to the level of being material to the company.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America

Other, please specify

McCormick Global

Number of facilities exposed to water risk

0

% company-wide facilities this represents

Less than 1%

% company’s total global revenue that could be affected

Less than 1%

Comment

Water risk screening for our facilities is determined by the WRI Aqueduct tool. While McCormick has facilities which are in areas of water stress, this does not represent a material risk to the company. Our facilities are not water intensive and in most cases

water could be trucked in if unavailable. While this would be more costly it would not rise to the level of being material to the company.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Brazil
Amazonas

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical
Drought

Primary potential impact

Supply chain disruption

Company-specific description

Changes in precipitation can cause weather extremes and droughts which may affect the raw agricultural crops grown by farmers in McCormick's supply chain. For example, McCormick source black pepper from Vietnam, Brazil, Indonesia, India, which may be prone to water-related risks in the future, such as drought and water scarcity. Black pepper represents the highest volume for any herb or spice procured by McCormick. A significant percentage of this is sourced from Brazil and therefore crop failure due to drought would impact both supply availability and price.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

4,300,000

Potential financial impact figure - maximum (currency)

17,400,000

Explanation of financial impact

Impact is mostly in terms of yield loss and thus price hikes. Dollar impact depends on severity.

Primary response to risk

Upstream
Increase supplier diversification

Description of response

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients (black pepper, cinnamon, oregano, red pepper and vanilla). To date we have partnered in training over 20,000 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to extreme weather conditions. This includes the introduction of drip irrigation systems and other water management methods.

Cost of response

3,000,000

Explanation of cost of response

This figure is our annual spend on all sustainable sourcing initiatives.

Country/Area & River basin

India
Other, please specify
We source from multiple regions

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical
Drought

Primary potential impact

Supply chain disruption

Company-specific description

Black pepper and red pepper are two of many commodities sourced from India in high volumes. Crop failure due to drought would impact both supply availability and price.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

150,000

Potential financial impact figure - maximum (currency)

560,000

Explanation of financial impact

Impact is mostly in terms of yield loss and thus price hikes. Dollar impact depends on severity.

Primary response to risk

Upstream

Increase supplier diversification

Description of response

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients (black pepper, cinnamon, oregano, red pepper and vanilla). To date we have partnered in training over 20,000 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to extreme weather conditions. This includes the introduction of drip irrigation systems and water management methods.

Cost of response

3,000,000

Explanation of cost of response

This figure is our annual spend on all sustainable sourcing initiatives.

Country/Area & River basin

Indonesia

Other, please specify

We source from multiple regions

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical

Water scarcity

Primary potential impact

Supply chain disruption

Company-specific description

Black pepper, cinnamon and vanilla are sourced from Indonesia in high volumes. Crop failure due to water scarcity would impact both supply availability and price.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,900,000

Potential financial impact figure - maximum (currency)

7,700,000

Explanation of financial impact

Impact is mostly in terms of yield loss and thus price hikes. Dollar impact depends on severity.

Primary response to risk

Supplier engagement

Work with supplier to engage with local communities

Description of response

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients (black pepper, cinnamon, oregano, red pepper and vanilla). To date we have partnered in training over 20,000 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to extreme weather conditions. This includes the introduction of drip irrigation systems and water management methods.

Cost of response

3,000,000

Explanation of cost of response

This figure is our annual spend on all sustainable sourcing initiatives.

Country/Area & River basin

Viet Nam
Mekong

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical
Water scarcity

Primary potential impact

Supply chain disruption

Company-specific description

Black pepper represents the highest volume for any herb or spice procured by McCormick. A significant percentage of this is sourced from Vietnam and therefore crop failure due to drought would impact both supply availability and price.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

5,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

Impact is mostly in terms of yield loss and thus price hikes. Dollar impact depends on severity.

Primary response to risk

Supplier engagement

Work with supplier to engage with local communities

Description of response

McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. For example, black pepper is sourced from Vietnam, Brazil, Indonesia, India etc. to reduce the impact of a poor harvest in a particular region. As part of McCormick's Purpose-led Performance (PLP) strategy, we have a target to increase the resilience of 90% of smallholder farmers who grow our five iconic ingredients (black pepper, cinnamon, oregano, red pepper and vanilla). To date we have partnered in training over 20,000 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to extreme weather conditions. This includes the introduction of drip irrigation systems and water management methods.

Cost of response

3,000,000

Explanation of cost of response

This figure is our annual spend on all sustainable sourcing initiatives.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Water risk screening for our facilities is determined by the WRI Aqueduct tool. While McCormick has facilities which are in areas of water stress, this does not represent a material risk to the company. Our facilities are not water intensive and in most cases water could be trucked in if unavailable. While this would be more costly it would not rise to the level of being material to the company. For example, our Mojave facility in the United

		States was identified as being a region of water stress. However, the site is near a large urban area where water is from municipal supplies, and the volumes used are not significant. Water could be trucked in if the water supply was at risk.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

McCormick's supply chain includes agricultural products sourced from over 80 countries, many of which are vulnerable to water related risks. For example, Black Pepper is currently procured from various countries, including Vietnam, Brazil, Indonesia and India. Changes in precipitation can cause weather extremes and droughts which may affect the raw agricultural crops grown by farmers in McCormick's supply chain. In 2017 McCormick launched their Purpose-Led Performance (PLP) strategy, which included the goal of increasing the resilience of 90% of smallholder farmers that grow our five iconic herbs and spices by 2025. We are working towards implementing sustainability certification across the five iconics, which actively promotes regenerative agriculture practices. In 2021, third-party verified sustainability certification was awarded to over 23,000 hectares of farms across India, Indonesia, Madagascar, Turkey and Vietnam from which we source our iconic ingredients. Our goal is for all farms growing our five iconics to be sustainably certified by 2025. The implementation of sustainability initiatives builds more resilient supply chains by increasing resistance to environmental and other shocks. The relationships we have built at supplier and farmer level have provided McCormick with additional insights on availability and pricing, and built loyalty with suppliers. This opportunity is considered strategic as these strategic partnerships played a significant role in supply continuity throughout the coronavirus pandemic.

We use ecosystem collaboration to help identify opportunities. We partnered with one of our suppliers, ECOLAB, a global sustainability leader offering water solutions and

services to carry out Total Plant Assessments (TPAs) on major water usage sites. With the TPAs, use of ECOLAB's Water Risk Monetizer and visibility through Ecolab digital solutions, we can monitor very detailed water usage that enables us to prioritize the most impactful water usage reduction projects and achieve our water targets faster. That includes saving time, money and water.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

36,000

Potential financial impact figure – maximum (currency)

108,000

Explanation of financial impact

Poor resiliency impact usually comes via lack of Good Agricultural Practices (GAP), water input and crop protection management. Impact is usually felt in terms of yield loss, poorer quality and appearance and disease.

We estimate to save 5% of water used in 13 sites identified as priority based on water footprint and volume. This equates to approximately 36million US Gallons. Water is relatively low in price and therefore the financial impact is low. The range of water cost across our sites is between $0.002 and $0.006 per US Gallon. Hence we estimate the financial impact to between $36,000 ($0.002 * 18,000,000) and $108,000 ($0.006 * 36,000,000)

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Commitment to stakeholder education and capacity building on water security Commitment to the conservation of freshwater ecosystems	McCormick's policy on water is covered in its documented environmental policy which addresses its conservation of natural resources including water. Our policy demonstrates that we are committed to reducing water pollution caused by our facilities and managing our use of water in a sustainable way. McCormick has clear targets around water management. One of our principal Sustainability (Purpose-led Performance) goal is a 25% reduction in water use from our facilities in 2030. This is in line with the United Nations Sustainable Development Goal 6 (Clean Water and Sanitation).

		Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board Chair	At the highest level, McCormick's Board, led by the Chairman of the Board, has general oversight of environmental related issues by regularly reviewing material initiatives and policies related to environmental matters and assessing progress with respect to environmental commitments. For example, the Chairman of the Board reviewed and signed off on McCormick's Goals, which includes both a commitment to reducing water use in owned facilities by 20% and a commitment to helping smallholder farmers work together to reduce water usage through drip irrigation.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding annual budgets	The Board and its Committees have general oversight of McCormick's Purpose-Led Performance (PLP) strategy, including its sustainability and

		Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	environmental, social and governance (ESG) commitments. The Board and/or its Committees receive regular reports from management on, among other things, material initiatives and policies related to ESG matters and progress with respect to our ESG commitments. In addition, management's reports often cover ESG strategy and risks to major plans of action and key performance objectives and progress made towards meeting McCormick's established PLP goals and targets. A summary of the allocation of general oversight of ESG matters among the Board and its Committees is as follows: Board of Directors – provides general oversight of ESG matters with an emphasis on directing McCormick's strategy and setting its course for growth; Nominating and Corporate Governance Committee – leads the oversight of McCormick's corporate responsibility programs and ESG matters; Compensation and Human Capital Committee – oversees ESG matters relating to people and human capital; Audit Committee – oversees the management of risks, including those relating to ESG matters.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	The Chairman of our Board has competence on climate-, water-, and forests-related issues. This is assessed based on his demonstrated understanding of the critical issues McCormick faces with regard to climate change, water security and deforestation. The Chairman of our Board was the one that commissioned the development of McCormick's Purpose-Led Performance (PLP) strategy.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify

Chief Administration Officer

Water-related responsibilities of this position

Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Integrating water-related issues into business strategy
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Purpose-led Performance (PLP) Governing Council holds the highest management-level of direct responsibility for water-related issues, including both assessing and managing water-related risks and opportunities and providing overall coordination and strategic direction for driving Purpose-led Performance.

The Council is led by the President, Global Flavor Solutions, International-EMEA and Chief Administrative Officer and is composed of senior executives with direct responsibility for a variety of functional areas, including sales and marketing, supply chain, human resources, environment, packaging, sourcing, community relations, and communications.

The PLP Governing Council reports regularly to the Board on strategy, risk, major plans of action, key performance indicators, etc.

The Council also separately reports to the McCormick Management Committee, the top-level senior management committee.

Name of the position(s) and/or committee(s)

Other committee, please specify

PLP Governing Council

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Purpose-led Performance (PLP) Governing Council holds the highest management-level of direct responsibility for water-related issues. The committee is responsible for both assessing and managing water-related risks and opportunities and providing coordination and strategic direction for driving PLP. The Council is led by the President, Global Flavor Solutions, International-EMEA and Chief Administrative Officer and is composed of senior executives with direct responsibility for a variety of functional areas, including sales and marketing, supply chain, human resources, environment, packaging, sourcing, community relations, and communications. This cross-functional committee is tasked to embed principals of PLP into every aspect of the business and is best positioned to manage and drive progress on water-related issues as a result. They report regularly to the Board and the McCormick Management Committee on strategy, risk, major plans of action, key performance indicators, etc.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Achieving our water reduction goal is included in the annual objectives of our Chief Supply Chain Officer.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Other C-suite Officer Chief Supply Chain Officer	Improvements in water efficiency – direct operations Improvements in wastewater quality – supply chain	Our Chief Supply Chain Officer has an annual objective to meet our global water use reduction goal. Incentives are determined based on progress made towards achieving these goals.	The efficiency target is 20% reduction in water use per ton of product by 2025. This efficiency metric was chosen as McCormick is not a large water user, and allows for growth within the business.
Non-monetary reward	No one is entitled to			We do not offer non-monetary incentives for water-related issues.

	these incentives			

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

On page 20 of the 2021 PLP Report, "We partner with third-party experts to identify opportunities to reduce our water use at targeted facilities around the world, helping achieve our goal of a 20% reduction in water use per ton of product produced from our facilities. McCormick is also working to facilitate access to safe drinking water for communities through various means such as investing in reverse osmosis water purification facilities in nine villages in India, benefiting an estimated 30,000 individuals. McCormick also supports watershed improvement and drip irrigation implementation projects in India, saving up to 9,200 million liters of water annually."

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	In 2017, McCormick launched its PLP strategy, which factors in water-related issues into our long term plan. For example, among the targets was the goal of sustainably sourcing 100% of our iconic branded

			materials by 2025. In order to achieve this, we are working toward third party certification by certifications that are benchmarked as FSA Silver and above (including but not limited to Rainforest Alliance, Grown For Good, and FSA Silver). These certifications include water management factors. For example, Rainforest Alliance certification requires water to be used efficiently and within natural limits and that water pollution in minimized. As part of our PLP, we have also included a water use reduction goal for our facilities. The PLP work is integrated into McCormick's overall business strategy. In our direct operations we factor in water treatment and discharge standards, both internally and externally, within our long term strategic planning.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	In 2017, McCormick launched its PLP strategy, which factors in water-related issues into our long term plan. For example, among the targets was the goal of sustainably sourcing 100% of our iconic branded materials by 2025. In order to achieve this, we are working toward third party certification by certifications that are benchmarked as FSA Silver and above (including but not limited to Rainforest Alliance, Grown For Good, and FSA Silver). These certifications include water management factors. For example, Rainforest Alliance certification requires water to be used efficiently and within natural limits and that water pollution in minimized. As part of our PLP, we have also included a water use reduction goal for our facilities. In our direct operations we factor in water treatment and discharge standards, both internally and externally, within our long term strategic planning.
Financial planning	Yes, water-related issues are integrated	5-10	In 2017, McCormick launched its PLP strategy, which factors in water-related issues into our long term plan. For example, among the targets was the goal of sustainably sourcing 100% of our iconic branded materials by 2025. In order to achieve this, we are working toward third party certification by certifications that are benchmarked as FSA Silver and above (including but not limited to Rainforest Alliance, Grown For Good, and FSA Silver). These certifications include water management factors. For example, Rainforest Alliance certification requires water to be used efficiently and within natural limits and that water pollution in minimized. As part of our PLP, we have also

			included a water use reduction goal for our facilities. The PLP work is integrated into McCormick's overall business strategy and planning. In our direct operations we factor in water treatment and discharge standards, both internally and externally, within our long term strategic planning.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

62

Anticipated forward trend for CAPEX (+/- % change)

89

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

All our water-related projects are captured under capital expenditure and not operational expenditure. The main projects which lead to an increase in expenditure are the installation of new water treatment plants and reverse osmosis water generators.
Our CAPEX on water-related projects in 2021, 2022 and beyond 2022 are $329,000, $533,000 and $991,000 respectively. This represents a 62% and 86% year on year increase since 2021.
McCormick has no water related OPEX.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related	The Supply Risk Analysis-Specialized (SRA-s) is an analytical framework developed by WWF that can be used to evaluate risks and potential impacts associated with the production of agricultural commodities sourced or financed by McCormick. The methodology, based on 'systems thinking' and with a holistic approach, reveals the greatest sourcing risks in a defined geographical area. This methodology accounts for public policy concerns, such as the Lacey Act and the EU's Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, environmental and social externalities such as the potential impacts of climate change, water stress, biodiversity loss, corruption and impacts to indigenous groups. It is a robust tool that creates a standardized assessment of the most critical risks.	The analysis is raw material/origin based and seeks to address water scarcity by understanding to what extent the commodity relies on irrigation and what the status of the water supply is. It also considers to what extent is commodity production associated with freshwater and/or offshore (marine) pollution. Water Scarcity - WWF analysis: Black pepper is considered to be drought sensitive, though in general, the crop is predominately rain-fed. Ideal growing conditions for black pepper include evenly spread annual rainfall of 1250-2000 mm, with a mean temperature between 23-32 degrees Celsius, and relative humidity of 75-80%. Water stress has varying impacts on yields depend on timing and severity.	The assessment has brought light to water scarcity risks in several regions that McCormick operates in. The company is working in collaboration with NGO partners on water use/availability management, as well as Good Agricultural Practices (GAP) training that increases yields, reduce water waste and runoffs Water Pollution.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We currently do not have an internal price on water and are investigating using valuation tools as one means of developing an internal valuation process.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	Important but not an immediate business priority	This is not a focus area for McCormick and we currently do not have the resources to carry out such assessments.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	This category of targets is currently not a priority. We have implemented initiatives in this area but no targets have been set.
Other	No, and we do not plan to within the next two years	There are no other types of water targets which are apriority for us right now.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water withdrawals

Year target was set
2021

Base year
2020

Base year figure
567,125,101

Target year
2030

Target year figure
425,343,826

Reporting year figure
559,017,247

% of target achieved relative to base year
5.7185647399

Target status in reporting year
Revised

Please explain
This is the revised target to align with the timing of other environmental targets that are in line with the Paris Agreement to limit climate warming to 1.5degC by 2030.

Target reference number
Target 2

Category of target
Water pollution

Target coverage

Company-wide (direct operations only)

Quantitative metric

Other, please specify

Penalties issued for exceeding regulatory limits for water pollutants set by the local water authorities every year

Year target was set

2017

Base year

2015

Base year figure

0

Target year

2030

Target year figure

0

Reporting year figure

0

% of target achieved relative to base year

Target status in reporting year

Underway

Please explain

In 2022, we met our annual target for water pollutants in all countries and therefore have not received any penalties for breach of consent from the local water authorities

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

IG_MKC - Independent Assurance Statement (FY22).pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total Withdrawals	AA1000AS	McCormick verified total water withdrawals. In 2022, the water withdrawal was 2,560 megaliters.

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Product use phase	We map suppliers plastic packaging materials from suppliers to potential consumer disposal.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Product use phase	We have a Regulatory Affairs regulatory SOP. We also look to eliminate problematic Problematic Plastics: BPA, PVC / PVDC.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Supply chain Product use phase	Regulatory Reputational Technology Physical	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain

Row 1	Yes	Plastic packaging	Reduce the total weight of plastic packaging used and/or produced Eliminate problematic and unnecessary plastic packaging Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of renewable content from responsibly managed sources in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Increase the proportion of plastic packaging that is reusable Increase the proportion of plastic packaging that is compostable	These goals are part of our approach to achieving our corporate PLP (Purpose Led Performance) goals and can be found in our corporate annual report.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging used	42,997	% virgin fossil-based content % virgin renewable content % post-industrial recycled content % post-consumer recycled content	98	0	0	2	

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging used	% technically recyclable % recyclable in practice and at scale	0	82	82% of our consumer packaging is recyclable, reusable, or compostable.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Executive Vice President & Member of Management Committee	Board/Executive board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms