



McCORMICK & COMPANY, INCORPORATED

SUSTAINABLE AGRICULTURE POLICY

McCormick & Company, Incorporated (McCormick) is the world's leading producer and marketer of spices, seasonings and condiments. We source approximately 3,000 agricultural products from hundreds of thousands of farmers located in over 40 countries around the world, and recognize that the global production, distribution and consumption of agricultural raw materials generates at times significant impacts on the natural environment and the well-being of human society. McCormick strongly believes that continuing access to high-quality agricultural products in sufficient quantities to meet global demand requires that these products be produced 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 owing to the complexity of our agricultural supply chain and the fact that the majority of our agricultural suppliers are small-holder farmers.

This Policy builds upon McCormick's other social and environmental standards and guidelines, including our Vendor Code of Conduct, Business Ethics Policy, and Slavery and Human Trafficking Statement for the UK Modern Slavery Act. It sets forth McCormick's general principles and expectations for the production practices of agricultural suppliers, and should be viewed in light of the fact that the company does not own or operate farms and does not source a large proportion of its agricultural raw materials directly from farmers but rather through joint venture partners or other commercial entities. We also recognize that the transition to sustainable agricultural practices can take time, especially for small-holder farmers who have limited financial and human resources at their disposal.

GENERAL PRINCIPLES

McCormick seeks to ensure that the agricultural raw materials in our products are produced responsibly and to do this through enhancing the environmental and social sustainability of its agricultural supply chain partners and local impacted communities. The following general principles provided apply to all suppliers in our agricultural supply chain.

Engagement

McCormick is committed to engaging with a wide range of stakeholders at the local, national and international levels, and to report on the progress made on enhancing the sustainability of agricultural production in our supply chain. Our expectation is that our agricultural suppliers will be open to engaging with stakeholders and participating in initiatives that seek to enhance the

sustainability of their farming practices. It is our belief that the complexity and systemic nature (economic, social, political, cultural) of many of the sustainability challenges involved in agricultural production around the world means that one company alone cannot effectively address them.

McCormick will seek out and participate in multi-stakeholder and collaborative approaches that address these challenges and that involve farmers and farmer associations, peer companies, civil society organizations and governments. In addition, we will play a positive role in supporting policy and advocacy efforts at the national and international levels to manage the sustainability impacts associated with agricultural production. We will also direct and encourage our strategic vendor partners to engage with and support agricultural producers in order to protect the environment, improve farmer livelihoods, respect workers' labor rights and build stronger communities.

Farmer Livelihoods and Community Development

The majority of the agricultural producers in our supply chain are small-holder farmers and we recognize that too many of them face moderate to severe economic deprivation and social challenges. In addition, we understand that a large number of the farmers in our supply chain are female, and this too has implications for the design and implementation of our programs to support farmers and communities.

McCormick, as well as its strategic vendor alliance partners, is committed to engaging with and transferring knowledge to farmers in order to support improvement in their livelihoods and social conditions. We are continuing to implement awareness raising and training programs designed to build their technical capacities, enhance their agronomic practices and general business and farm management skills, and expand their access to financing mechanisms and market information through technology. Support for the application of technical solutions to key challenges is critical to our approach to enhancing farmer livelihoods, community development and the sustainability of the overall crop production cycle, and as such we are focused on employing science to transform our supply chain at all levels in areas such as quality and productivity improvements in farming.

McCormick is committed to supporting the economic and social development of the communities where its agricultural suppliers operate as we believe that investments in local communities is an important factor in our long-term growth and success. One of the most impactful ways that we can do this is by working to improve the livelihoods of farmers and to set the expectation that agricultural producers in our supply chain will respect the rights of communities and traditional peoples to their land and natural resources.

Transparency

McCormick expects that its suppliers will provide it with relevant information concerning these impacts and that they will also fulfill requirements in terms of the traceability of their production and that of their suppliers. Ongoing advances in information and communication technology are providing unprecedented opportunities for creating transparency into all aspects of the

agricultural supply chain. We believe this creates both obligations and opportunities to increase the level of communication and awareness between it and its agricultural suppliers, as well as with consumers and other business partners. McCormick is committed to enhancing our suppliers' access to information and technology, and to ensuring that they are aware of and understand our expectations concerning the social, environmental and governance impacts of their production.

ISSUE-SPECIFIC PRINCIPLES

The sustainability issues addressed below are among the most significant for agricultural production that McCormick can reasonably be expected to have an impact on given the characteristics of our supply chain.

Food Safety

Fundamental to McCormick's commercial success is ensuring that the products we sell meet the most rigorous safety requirements and the highest quality standards. We have a strong record on food safety as a result of our commitment of resources, engagement with our supply chain partners and close cooperation with regulatory authorities. But we recognize that the complexity of the global food system, including differing regulatory regimes across and within countries and the absence of a global safety framework, creates a heightened level of risk to safety in/for certain countries and agricultural products.

McCormick expects as a baseline that agricultural producers in its supply chain will comply with local and national food safety laws and regulations governing all phases of the production process (pre-harvest, planting, harvesting, processing, transporting). Where laws and/or regulations do not exist or are in conflict with generally accepted best practice, suppliers should adopt the highest standard applicable to their situation by reference to leading safety standards such as the Global Food Safety Initiative and Global G.A.P. McCormick expects that all agricultural suppliers will take steps to ensure that agricultural products can be traced back to their source of origin regardless of whether or not this is legally required. This includes where applicable inputs to the agricultural production process.

Worker Rights

All agricultural suppliers to McCormick are required to abide by local, national and international laws and regulations regarding the treatment of workers directly employed on farms or indirectly employed through labor contractors or brokers. These requirements governing the treatment of workers apply without exception to all workers, including migrant laborers.

Agricultural suppliers must not use child labor or forced labor or any labor associated with human trafficking. In line with our commitments related to the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act of 2015, McCormick is focused on ensuring that our agricultural supply chain does not contain forced labor or slavery, and we are developing and implementing key performance indicators to measure our effectiveness in ensuring that this is the case. In particular:

- **Child Labor:** Child labor is strictly prohibited. Suppliers shall adhere to the minimum employment legal age limit defined by national law or regulation, and comply with relevant International Labor Organization (ILO) standards. In no instance, shall a supplier permit children to perform work that exposes them to undue physical risks than can cause physical, mental, or emotional harm or improperly interfere with their schooling (except as may be permitted under apprenticeship or similar programs in which the minor is lawfully participating).
- **Prison or Forced Labor:** All suppliers' employees shall work on a voluntary basis and not be subject to any exploitation, such as forced, bonded and indentured labor, or sexual exploitation. Employees shall not be subject to any forms of coercion, fraud, physical punishment, threats of violence, deception, or giving up control of their person to another for the purpose of such exploitation.

Suppliers are required to prevent discrimination based on race, gender, ethnicity, nationality, or religion and any form of physically or mentally abusive workplace practices. In addition, suppliers must recognize workers' right to form or join trade unions; provide wages that support the purchase of basic necessities for an individual or family; ensure that working hours are in line with legal mandates; and maintain a working environment that takes steps to minimize and/or eliminate risks to occupational safety and health. In terms of health and safety, suppliers must provide, where practicable, training to employees on the operation of equipment and the handling of hazardous materials, protective clothing, and potable water and sanitary facilities.

Agrochemicals

Chemical use on farms is widespread around the world in the form of crop protection and nutrient support, and in many cases mitigates plant losses and increases production. McCormick expects its agricultural suppliers to use all chemical products in accordance with applicable laws and regulations and the guidance of product manufacturers, and to minimize the potential harmful impacts on water quality and air quality. We encourage our suppliers to use natural means of pest control, such as integrated pest management techniques, and we prohibit the use of chemical products listed in Annex III of the Rotterdam Convention and substances banned under the Stockholm Convention on Persistent Organic Pollutants. In instances where such products are in use, a management plan must be in place to eliminate them.

Water Conservation

McCormick expects our agricultural suppliers to continuously improve their water use efficiency and conservation through better management and, where applicable, to develop water management plans and investment in technologies to support responsible water use. And, where applicable, we also expect our agricultural suppliers to acknowledge, understand, and manage the impacts their crop production has on watersheds, and water availability and quality for local communities. Agriculture is the largest user of fresh water worldwide and the available supply of fresh water is projected to diminish over the long term, and in response McCormick is committed to helping our agricultural suppliers address and mitigate the risk of water shortages.

Biodiversity and Habitat Conservation

McCormick recognizes that the protection of biodiversity and conserving significant natural habitats is critically important to global terrestrial and aquatic ecosystems and to the company's long-term business success. Where practicable, we expect our agricultural suppliers to avoid any actions that lead to deforestation or degradation of wildlife habitats and freshwater systems, and to respect protected and high conservation areas as identified in the Ramsar List (wetlands) and the IUCN Category I-IV areas. This applies both to ongoing operations and to potential new production areas.

Energy Use and GHG Emissions McCormick is focused on energy efficiency and reducing GHG emissions in its own operations, and it expects its agricultural suppliers to have a similar focus when practicable given their size and location. Agricultural suppliers are expected to optimize their energy efficiency, increase their use of renewable energy sources, and understand their GHG emissions profile and options for reducing it through awareness raising and shifting production patterns.

Soil Management

Degraded soil health in terms of nutrients, biodiversity, and erosion is a significant and increasing challenge in many parts of the world and can lead to significant negative impacts on water quality and through greater use of energy, fertilizers, and pesticides. McCormick expects its agricultural producers, regardless of their size or location, to take steps to minimize soil loss and contamination, and to maintain and improve the fertility of the soil.

CONCLUSION

McCormick understands that the social, environmental, and governance conditions in its agricultural supply chain are continuously evolving, and because of this it is committed to periodically reviewing this Policy in order to ensure that it remains relevant and supportive of its agricultural supply chain partners and the sustainability of farming communities.