McCormick & Company, Incorporated - Climate Change 2020

C0. Introduction

C0.1

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

McCormick & Company Inc. is a global leader in flavor. With $5.3 billion in annual sales, the Company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry - retail outlets, food manufacturers and food service businesses. 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. As such, McCormick & Company would support government action at the international level that facilitates the transitions necessary to minimize the impacts of climate change. This is consistent with our environmental policy which states: "McCormick is committed to the continuous improvement of our environmental performance in our day-to-day business activity and meeting or exceeding the requirements of all applicable environmental laws and regulations. Through management leadership and employee participation, we are committed to reducing the environmental impact of our activities as we take steps to prevent pollution and promote sustainable use of natural resources on which we depend, while providing quality products that meet the needs of our customers and consumers, comply with applicable environmental laws and regulations, and contribute positively to the communities in which we operate." To learn more about our sustainability efforts please go to our website at: http://www.mccormickcorporation.com/Our-Commitment

FORWARD-LOOKING STATEMENTS Certain information contained in this questionnaire contains statements reflecting our views about our future performance that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements, including changes in demand for McCormick’s products , as a result of changes in consumer preferences or otherwise, changes in, or failure to comply with, applicable laws and regulations, imposition or proposed imposition of new or increased taxes aimed at McCormick’s products, imposition of labeling or warning requirements on McCormick’s products, changes in law related to packaging and disposal of McCormick’s products, McCormick’s ability to compete effectively, political conditions, civil unrest or other developments and risks in the markets where McCormick’s products are made, manufactured, distributed or sold, the ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption, damage to McCormick’s reputation or brand image, loss of any key customer or disruption to the retail landscape, including rapid growth in hard discounters and the e-Commerce channel and the other factors that may adversely affect the price of McCormick’s publicly traded securities and financial performance. For additional information on these and other factors that could cause McCormick’s actual results to materially differ from those set forth herein, please see McCormick’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. McCormick undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	December 1 2018	November 30 2019	No	<Not Applicable>

C0.3

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

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

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

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

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

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	No

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

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

Row 1

Primary reason
Do not own/manage land

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

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

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason
Outside the direct operations of my organization

Please explain
We do not own our own transportation fleet. Distribution of raw materials and of products are completed by third parties. Distribution related greenhouse gas emissions are not in McCormick's scope 1 & 2 emissions but are included in the scope 3 emissions reported.

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

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

Row 1

Primary reason
Evaluated but judged to be unimportant

Please explain
The emissions from the consumption of our products (black pepper, vanilla etc.) were determined to be immaterial. This is consistent with our scope 3 emissions analysis.

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

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

Agricultural commodity
Other, please specify (Black Pepper)

% of revenue dependent on this agricultural commodity
Don't know

Produced or sourced
Sourced

Please explain
Black Pepper is one of McCormick's five iconic ingredients and represents the greatest percentage of the herbs and spices portfolio in terms of volume procured annually. 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.

Agricultural commodity
Palm Oil

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
The percent revenue dependent on this commodity is less than 10%.

Agricultural commodity
Rice

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
The percent revenue dependent on this commodity is less than 10%.

Agricultural commodity
Soy

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
The percent revenue dependent on this commodity is less than 10%.

Agricultural commodity
Wheat

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
The percent revenue dependent on this commodity is less than 10%.

C1. Governance

C1.1

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

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	McCormick has a proud legacy and commitment to doing what's right for people, the communities where we live, work, and source and for the planet we all share. At the highest level, the Board Chair has overall responsibility for climate-related issues by reviewing, endorsing and amplifying major business decisions during regular Board meetings, including those made as part of our Purpose-led Performance (PLP) journey. For example, in 2019 the Board Chair signed off on the decision to set a Science-Based Target that commits to reducing McCormick's absolute value chain emissions by 16% by 2030.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board regularly reviews and guides strategy, major plans of action, risk management policies, business plans during quarterly Board meetings and annual Board retreats. In addition, the Board also reviews performance objectives and progress against goals and targets as part of the Purpose-led Performance (PLP) initiative.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Administration Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Sustainability committee *Purpose-led Performance (PLP) Governance Council*	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Purpose-led Performance (PLP) Governance Council holds the highest level of direct responsibility for climate-related issues. The committee is responsible for both assessing and managing climate-related risks and opportunities and providing overall coordination and strategic direction for driving Purpose-led Performance.

The PLP Governance 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 human resources, environment, packaging, sourcing, community relations, government affairs, communications, innovation and investor relations.

This cross-functional committee is tasked to embed principles of PLP into every aspect of the business and is best positioned to manage and drive progress on climate-related issues as a result. The PLP Governance Council reports directly to the Board during quarterly Board meetings on strategy, risk, major plans of action, key performance indicators, etc.

The PLP Governance Council also separately reports, on a monthly basis, to the McCormick Management Committee, which is the top-level senior management committee.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction target	The SVP of Global Supply Chain receives monetary incentives for the management of McCormick's public emissions reduction target. This role is functionally a C-Suite position at McCormick. The Chief Procurement Officer reports directly to the SVP of Global Supply Chain.
Other, please specify (Supply Chain employees)	Monetary reward	Emissions reduction target	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	6	
Long-term	6	10	

C2.1b

(C2.1b) 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 assessed at the company level are those risks that **1) expose the Company to significant or catastrophic permanent decline in shareholder value and 2) the risk must be reasonably possible.**

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Purpose-led Performance (PLP) Committee reports into the McCormick Management Committee which is the top-level senior management committee. The PLP Committee is responsible for assessing and managing climate related risk and opportunities. These risks have been assigned to this committee because this falls within its scope of the overall PLP program. (i) Risk/opportunities are assessed at the company level are those risks that 1) expose the Company to significant or catastrophic permanent decline in shareholder value and 2) the risk must be reasonably possible. (ii) Risks and opportunities are assessed at an asset or facility level where it can impact the overall organization and result in an overall enterprise risk. Additionally McCormick has partnered with an insurance carrier to evaluate weather related and other risks at the asset level and to mitigate those risks where feasible. These risks include but are not limited to potential for flooding, wind damage and structural issues related to heavy snow and rainfall events. Opportunities are being addressed at the asset level through reduction programs for water, electricity, greenhouse gases and solid waste. (iii) A risk assessment methodology is used which includes but is not limited to the following factors: Damage to our reputation or brand name. Consolidation of customers, Procurement of raw materials, Laws and regulations, Disasters, business interruptions or similar events. Case Study 1: Physical risk/opportunity Tropical cyclones and floods can and have impacted the origin countries of our raw agricultural materials. For example in March 2017, Cyclone Enawo hit the east coast of Madagascar directly impacting the farming communities from which McCormick source vanilla. Likewise in 2004 a hurricane impacted Grenada and destroyed approximately 75% of the nutmeg trees. Severe floods in India in 2018 increased the outbreak of disease in the materials sourced from those regions, including turmeric and red pepper, thus reducing the yield in 2019 and impacting market price of commodities. To manage the risk, McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. Case Study 2: Transition risk/opportunity As a CPG company, McCormick closely tracks and responds to shifts in consumer preferences and market demands. In 2018, McCormick joined other companies in signing the New Plastics Economy Commitment led by the Ellen MacArthur Foundation to underscore its promise in promoting a circular economy. As part of the PLP journey, McCormick commits to reducing packaging carbon footprint by 25% and to achieve 100% circular plastics packaging (reused, recycled or repurposed) by 2025. McCormick's packaging commitments are partially underpinned by ongoing lightweighting efforts, which reduce both the packaging carbon footprint and direct costs to the business.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We monitor current regulations and compliance with them as they directly and indirectly relate to climate risks. This is done at multiple levels, within our regional units, business units and legal and compliance functions. Identified risks are elevated within management appropriately and are part of our Strategic Risk Management program. Example of a specific risk considered includes enhanced emissions reporting obligations.
Emerging regulation	Relevant, always included	We monitor emerging regulations as they directly and indirectly relate to climate risks. This is done at multiple levels, within our regional units, business units and legal and regulatory functions. Identified risks are elevated within management appropriately and are part of our Strategic Risk Management program. Example of a specific risk considered includes mandates on and regulation of existing products and services.
Technology	Relevant, always included	As opportunities arise, we review new technologies that may reduce our energy use to meet our corporate sustainability goals. Examples include McCormick's investment in R&D to improve the recyclability of single-use flexible plastics, introduction of recycled content and bioresins in packaging material, and ongoing lightweighting initiatives.
Legal	Relevant, always included	We address legal compliance risk, for example in our Form 10-K, where we state (page 7, Risk Factors): Food products are extensively regulated in most of the countries in which we sell our products. We are subject to numerous laws and regulations relating to the growing, sourcing, manufacturing, storage, labeling, marketing, advertising and distribution of food products, as well as laws and regulations relating to financial reporting requirements, the environment, consumer protection, competition, anti-corruption, privacy, relations with distributors and retailers, foreign supplier verification, customs and trade laws, including the import and export of products and product ingredients, employment, and health and safety. Enforcement of existing laws and regulations, changes in legal requirements, and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or operating results. Increased regulatory scrutiny of, and increased litigation involving, product claims and concerns regarding the attributes of food products and ingredients may increase compliance costs and create other obligations that could adversely affect our business, financial condition or operating results. Governments may also impose requirements and restrictions that impact our business, such as labeling disclosures pertaining to ingredients. For example, "Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986," in California exposes all food companies to the possibility of having to provide warnings on their products in that state. If we were required to add warning labels to any of our products or place warnings in locations where our products are sold in order to comply with Proposition 65, the sales of those products and other products of our company could suffer, not only in those locations but elsewhere.
Market	Relevant, always included	We address market issues through a variety of ways, including through our raw materials management programs, sourcing criteria and Strategic Risk Management program. Examples of a specific risks considered include environmental risks across our supply chain that could damage our reputation and brand image and changes in customer behavior.
Reputation	Relevant, always included	We consider reputational risks, including those associated with climate change, as part of our Strategic Risk Management program. These climate related reputational risks are managed by the Purpose-led Performance (PLP) Committee, which reports into the McCormick Management Committee, the top-level senior management committee. Risks considered include: environmental risks across our supply chain that could damage our reputation and brand image.
Acute physical	Relevant, always included	We address acute physical risk, for example in our Form 10-K, where we state (page 8, Risk Factors): We could have an interruption in our business, loss of inventory or data, or be rendered unable to accept and fulfill customer orders as a result of a natural disaster, catastrophic event, epidemic or computer system failure. Natural disasters could include an earthquake, fire, flood, tornado or severe storm. A catastrophic event could include a terrorist attack. An epidemic could affect our operations, major facilities or employees' and consumers' health. In addition, some of our inventory and production facilities are located in areas that are susceptible to harsh weather; a major storm, heavy snowfall or other similar event could prevent us from delivering products in a timely manner. Production of certain of our products is concentrated in a single manufacturing site.
Chronic physical	Relevant, always included	We address chronic physical risk, for example in our Form 10-K, where we state (page 13, Risk Factors): Unseasonable or unusual weather or long-term climate changes may negatively impact the price or availability of spices, herbs and other raw materials. There is concern that greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity or practices, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products. In addition, such climate change may result in modifications to the eating preferences of the ultimate consumers of certain of our products, which may also unfavorably impact our sales and profitability.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

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

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Tropical cyclones and floods can and have impacted the origin countries of our raw agricultural materials. For example in March 2017, Cyclone Enawo hit the east coast of Madagascar directly impacting the farming communities from which McCormick source vanilla. Likewise in 2004 a hurricane impacted Grenada and destroyed approximately 75% of the nutmeg trees. Severe floods in India in 2018 increased the outbreak of disease in the materials sourced from those regions, including turmeric and red pepper, thus reducing the yield in 2019 and impacting market price of commodities.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
7750000

Potential financial impact figure – maximum (currency)
31000000

Explanation of financial impact figure
The potential financial impact is calculated based on an estimated range of percentages of McCormick's agriculture spend in FY2019. Weather impact generally depends on severity, region, concentration and product mix. Overall spend impact range estimated in US dollars.

Cost of response to risk
3000000

Description of response and explanation of cost calculation
Strategy: McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. Case Study: 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, vanilla). To date we have partnered in training approximately 8,500 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to extreme weather conditions. Cost Calculation: Since launching the goal of increasing the resilience of 90% of smallholder farmers that grow our iconic herbs and spices, McCormick has implemented many sustainable sourcing initiatives globally. The cost to realize this opportunity is calculated based on our annual spend on all sustainable sourcing initiatives, which in FY19 is about $3,000,000.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

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

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Changes in precipitation patterns impact the growing conditions of our agricultural raw materials. Too much or too little rain at certain times in the crop cycle can affect both the quality and quantity of the product. Excessive rain during harvest could also inhibit the farmer's ability to reap the crop. For example, excessive rain and/or wind during the flowering phase of the black pepper cycle can hinder the plants ability to pollinate, thus producing less berries. In 2019, rainfall during the red pepper drying season damaged a proportion of the crop yield.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
4400000

Potential financial impact figure – maximum (currency)
44000000

Explanation of financial impact figure
The potential financial impact is calculated based on an estimated range of percentages of McCormick's agriculture spend in FY2019. Weather impact generally depends on severity, region, concentration and product mix. Overall spend impact estimated in US dollars.

Cost of response to risk
3000000

Description of response and explanation of cost calculation
Strategy: McCormick implements dual or multi-origin sourcing of its agricultural raw materials where possible. Case Study: 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, vanilla). To date we have partnered in training approximately 8,500 smallholder farmers on Good Agricultural Practices (GAP) which teaches methods that will increase a crop's resilience to unpredictable weather conditions. To mitigate precipitation risks to a harvest during the sun drying process, McCormick are currently investigating options for solar dry crops. Cost Calculation: Since launching the goal of increasing the resilience of 90% of smallholder farmers that grow our iconic herbs and spices, McCormick has implemented many sustainable sourcing initiatives globally. The cost to realize this opportunity is calculated based on our annual spend on all sustainable sourcing initiatives, which in FY19 is about $3,000,000.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
As stated in our Form 10-K (page 13, Risk Factors): Climate change may negatively affect our business, financial condition and results of operations. Unseasonable or unusual weather or long-term climate changes may negatively impact the price or availability of spices, herbs and other raw materials. There is concern that greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity or practices, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products. In addition, such climate change may result in modifications to the eating preferences of the ultimate consumers of certain of our products, which may also unfavorably impact our sales and profitability.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We are unable to provide a potential financial impact.

Cost of response to risk
0

Description of response and explanation of cost calculation
Strategy: One of the ways that McCormick manages this market risk is the adoption of renewable energy. McCormick leverages a variety of renewable energy sources to reduce its operational greenhouse gas emissions footprint while limiting its exposure to price volatility, including on-site solar, bundled renewable energy certificates through retail electricity purchases, etc. Case Study: For example, in 2019, McCormick signed a 15-year deal with Constellation to buy solar power from the Skipjack Solar Center. It will enable McCormick to further its emissions reduction by powering its Maryland and New Jersey facilities with 100% renewable electricity. This coverage is estimated to be the equivalent of 27,000,000 pounds of CO2e annually, which will account for 17% across our Americas Supply Chain, or 11% globally, by 2022. Cost Calculation: By entering into a long-term contract with Constellation, McCormick enables the development of this 175-megawatt solar plant while locking into a relatively low rate for the duration of the contract. This renewable energy contract is projected to be cost neutral over its life span. As a result, $0 is entered for “cost to realize opportunity”.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Resilience

Primary climate-related opportunity driver
Other, please specify (Agricultural supply chain resilience)

Primary potential financial impact
Other, please specify (Increased reliability of supply chain and ability to operate under various conditions)

Company-specific description
McCormick's supply chain includes agricultural products sourced from over 80 countries, many of which are vulnerable to climate change. For example, Black Pepper is currently procured from various countries, including Vietnam, Brazil, Indonesia and India. In 2017 McCormick launched its Purpose-Led Performance (PLP) strategy, which included the goal of increasing the resilience of 90% of smallholder farmers that grow our iconic herbs and spices (black pepper, cinnamon, oregano, red pepper, vanilla) by 2025. Training initiatives for farmers in our agricultural supply chain are underway in Vietnam, Madagascar, India, Indonesia and Turkey and by the end of 2019 had benefited approximately 15,750 farmers (around 45% of our 2025 target). Agricultural resilience of our smallholder farmers is key to increased reliability of McCormick’s supply chain and ability to operate under various conditions.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3500000

Potential financial impact figure – maximum (currency)
5000000

Explanation of financial impact figure
The range of potential financial impact of $3,500,000 to $5,000,000 represents the calculated financial impact as a result of poor resiliency felt in terms of yield loss, poor quality and appearance, and disease. As an opportunity, this figure translates into the potential cost savings from improving resiliency in our agricultural supply chain through Good Agricultural Practices (GAP), water input and crop protection management.

Cost to realize opportunity
3000000

Strategy to realize opportunity and explanation of cost calculation
Strategy: McCormick is working with suppliers and other stakeholders to identify and create projects that will increase the resilience of small holder farmers in our supply chain. We are working towards implementing Rainforest Alliance (RA) and other sustainability certifications across the five iconics (black pepper, cinnamon, oregano, red pepper, vanilla), which actively promotes Climate Smart Agriculture (CSA). Case Study: For example, McCormick has partnered with USAID, USDA, GIZ and NCBA CLUSA to improve the resilience of around 10,000 vanilla smallholder farmers in Madagascar and Indonesia. These initiatives aim to increase incomes while protecting biodiversity and improving governance through strong farmer cooperatives and Rainforest Alliance certification. As a result of our engagement, farmers either initiate, expand or diversify their farms to generate additional benefits through the sales of these products into McCormick's supply chain. Cost Calculation: Since launching the goal of increasing the resilience of 90% of smallholder farmers that grow our iconic herbs and spices, McCormick has implemented many sustainable sourcing initiatives globally. Our annual spend on all sustainable sourcing initiatives is about $3,000,000 in FY19.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Other, please specify (Reduced exposure to price volatility)

Company-specific description
McCormick has embraced the opportunity to reduce its operational footprint through renewable energy procurement. The recently announced agreement with the Skipjack Solar Center is McCormick's most substantial commitment to renewables to date. The facility, currently under construction in Virginia, is planned to come online by 2022.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
0

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While the agreement with the skipjack Solar Center project does not directly reduce the energy costs, it enables McCormick to lock into a low rate over a long period of time, thus reducing its exposure to potential utility price volatility in the future. This renewable energy contract is projected to be cost neutral over its life span. As a result, potential financial impact for this opportunity is $0.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Strategy: McCormick leverages a variety of renewable energy sources to reduce its operational greenhouse gas emissions footprint while limiting its exposure to price volatility, including on-site solar, bundled renewable energy certificates through retail electricity purchases, etc. Case Study: For example, in 2019, McCormick signed a 15-year deal with Constellation to buy solar power from the Skipjack Solar Center. It will enable McCormick to further its emissions reduction by powering its Maryland and New Jersey facilities with 100% renewable electricity. This coverage is estimated to be the equivalent of 27,000,000 pounds of CO2e annually, which will account for 17% across our Americas Supply Chain, or 11% globally, by 2022. Cost Calculation: By entering into a long-term contract with Constellation, McCormick enables the development of this 175-megawatt solar plant while locking into a relatively low rate for the duration of the contract. This renewable energy contract is projected to be cost neutral over its life span. As a result, $0 is entered for "cost to realize opportunity".

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Reduced direct costs

Company-specific description
As a CPG company, McCormick closely tracks and responds to shifts in consumer preferences and market demands. In 2018, McCormick joined other companies in

signing the New Plastics Economy Commitment led by the Ellen MacArthur Foundation to underscore its promise in promoting a circular economy. As part of the PLP journey, McCormick commits to reducing packaging carbon footprint by 25% and to achieve 100% circular plastics packaging (reused, recycled or repurposed) by 2025. McCormick's packaging commitments are partially underpinned by ongoing lightweighting efforts, which reduce both the packaging carbon footprint and direct costs to the business.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
202000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial savings of $202,000 are based on two plastic bottle lightweighting projects implemented in recent years. By reducing PET weight in the packaging material by 3 grams and 1.2 grams per bottle, a respective annual savings of $112,000 and $90,000 were achieved, totaling $202,000.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Strategy: Lightweighting, in addition to R&D in bio-based resin and improving recyclability of single-use flexible plastic materials, is a key lever to achieving McCormick's packaging goals of reducing packaging carbon footprint by 25% and achieving 100% circular plastics packaging (reused, recycled or repurposed) by 2025. When a new product design is called for, the packaging team ensures that sustainability is embedded in the decision-making process. Specifically, the team actively seeks to reduce packaging weight where feasible and appropriate, and as a result GHG emissions, when engaging with packaging suppliers for new tooling. Case Study: For example, McCormick implemented two PET bottle lightweighting projects in recent years, resulting in a source reduction of 3 and 1.2 grams of PET material respectively per bottle. These projects have both financial savings and carbon savings. Cost Calculation: Because lightweighting opportunities are pursued as part of a packaging design refresh, there is no additional cost to McCormick to realize this opportunity. As a result, $0 is entered for "cost to realize opportunity".

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?
No, and we do not anticipate doing so in the next two years

C3.1c

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

McCormick has not implemented a climate-related scenario analysis as of 2019 but plan to in the future. Climate-related risks are reviewed by McCormick's PLP Governance Committee. Launched in 2017, our PLP journey has been our focus on climate action, including issues on sustainable sourcing, GHG emissions reduction, waste diversion, and packaging circularity. To date, McCormick has done supply risk analysis focusing on our agricultural value chain, specifically on the five iconic herbs and spices. Although the risk analysis does not explicitly align with any climate-related scenarios, climate drivers such as rising temperature and shifting precipitation patterns are included in the assessment.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Shifting consumer preferences related to the amount of plastics packaging have influenced McCormick's strategy with regard to our products and services. This has resulted in McCormick's commitment to reduce the packaging footprint throughout the life cycle of its products in the short- and medium-term time horizons. One of the most substantial strategic decisions made by the business in response to this commitment was the development of 2 packaging goals by 2025. The first is to reduce McCormick's carbon footprint from packaging by 25% and the second is to achieve 100% circular plastics packaging (reused, recycled or repurposed) by 2025. McCormick tracks its global packaging carbon footprint and plastics usage through a lifecycle assessment tool and is estimated to use more than 25,500 metric tons of plastic in North America. To date, the company has already reduced its footprint by more than 12,500 metric tons through initiatives such as bottle light weighting and packaging redesign. In addition, McCormick has also signed the New Plastics Economy Commitment led by the Ellen MacArthur Foundation to underscore its promise in promoting a circular economy.
Supply chain and/or value chain	Yes	McCormick is committed to responsibly sourcing raw materials and improving transparency throughout its value chain. This commitment led to the substantial strategic decision to remove intermediaries in the supply chain and interact with suppliers directly when possible, as reflected in McCormick's goal to source all herbs and spices in its portfolio sustainably by 2025. This medium-term goal is supported by McCormick's novel sustainable sourcing framework, Grown for Good, the first ever sustainability certification program in the Herbs & Spice Industry. In this, McCormick has partnered with IFC, CARE, and WWF to conduct risk and opportunity assessments in key countries of origin and inform the design of the framework, including third party verification of supplier performance.
Investment in R&D	Yes	Shifting consumer preferences related to the amount of plastics packaging have also influenced McCormick's strategy with regard to our Research and Development efforts. Working towards the packaging goals of reducing carbon footprint from packaging by 25% and achieving 100% circular plastics packaging (reused, recycled or repurposed) by 2025, McCormick has invested globally in R&D to improve the recyclability of single-use flexible plastics, introduction of recycled content and bioresins in packaging material, and ongoing lightweighting initiatives.
Operations	Yes	McCormick has embraced the opportunity to reduce its operational footprint through short-term renewable energy procurement goals. This is in line with McCormick's strategy to reduce its GHG emissions footprint from facilities through clean energy. The recently announced agreement with the Skipjack Solar Center is McCormick's most substantial commitment to renewables to date. The facility, currently under construction in Virginia, is planned to come online by 2022. It will enable McCormick to further its emissions reduction by powering its Maryland and New Jersey facilities with 100% renewable energy. This coverage is estimated to be the equivalent of 27,000,000 pounds of CO2e annually, which will account for 17% across our Americas Supply Chain, or 11% globally, by 2022. Based on this experience, McCormick aims to integrate renewable energy into other business units.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs	McCormick has embraced the opportunity to reduce its operational footprint by incorporating renewable energy procurement in its financial planning process. This is in line with McCormick's strategy to reduce its GHG emissions footprint from facilities through clean energy procurement. The recently announced agreement with the Skipjack Solar Center is McCormick's most substantial commitment to renewables to date. The facility, currently under construction in Virginia, is planned to come online by 2022. It will enable McCormick to further its emissions reduction by powering its Maryland and New Jersey facilities with 100% renewable energy. This coverage is estimated to be the equivalent of 27,000,000 pounds of CO2e annually, which will account for 17% across our Americas Supply Chain, or 11% globally, by 2022. Based on this experience, McCormick aims to integrate renewable energy into other business units.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year
2015

Covered emissions in base year (metric tons CO2e)
124627

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
96

Target year
2025

Targeted reduction from base year (%)
20

Covered emissions in target year (metric tons CO2e) [auto-calculated]
99701.6

Covered emissions in reporting year (metric tons CO2e)
125307.01

% of target achieved [auto-calculated]
-2.72818089178105

Target status in reporting year
Underway

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This goal was announced in October of 2017 and has been approved by the SBTi in 2019.

Target reference number
Abs 2

Year target was set
2019

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3: Purchased goods & services

Base year
2017

Covered emissions in base year (metric tons CO2e)
1869859

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
94

Target year
2030

Targeted reduction from base year (%)
16

Covered emissions in target year (metric tons CO2e) [auto-calculated]
1570681.56

Covered emissions in reporting year (metric tons CO2e)
1901328

% of target achieved [auto-calculated]
-10.5185070104216

Target status in reporting year
Underway

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This target was set in 2019 and has been approved by the SBTi. The target includes 84% of the total baseline emissions which meets the SBTI criteria of being greater than 2/3 of the total scope 3 emissions.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2017

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	Percentage of total waste generated that is recycled

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
64

Target year
2025

Figure or percentage in target year
80

Figure or percentage in reporting year
63

% of target achieved [auto-calculated]
-6.25

Target status in reporting year
Underway

Is this target part of an emissions target?
No formal climate target has been set for this at this time, however any improvement in recycle and recovery rate will result in lower greenhouse gas emissions.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
McCormick has set a global goal of achieving a recycle and recovery rate (RRR) of 80% by 2025. Total Waste Generated (total waste generated = solid waste + recycled waste). The criteria for reporting is as follows: - Include all manufacturing facilities (unless the number of employees is ten or less) which McCormick has operational control; - Optional for other facilities which generate less than 100 short tons (91 MT) (<0.25%) per year total waste generated; - Any Distribution Center or office building which is not required to report electricity data is not required to report waste data; - Recycled Waste includes any beneficial reuse and recovery such as: composting, animal feed, recycling, biogas etc. It does not include incineration with or without energy recovery. Demolition debris is excluded from solid waste and recycling reporting. Solid Waste is anything which is sent to a landfill or incinerator for disposal.

Target reference number
Oth 2

Year target was set
2017

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers	Other, please specify (Percentage of iconic herbs and spices sourced sustainably)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
0

Target year

2025

Figure or percentage in target year
100

Figure or percentage in reporting year
25

% of target achieved [auto-calculated]
25

Target status in reporting year
Underway

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
Other, please specify (Sustainable sourcing)

Please explain (including target coverage)
McCormick has set a target to sustainably source 100% of its branded iconic herbs and spices by 2025. As part of this effort, in 2019 Rainforest Alliance certification was achieved on 25% of the volume target. Rainforest Alliance certification is designed to reduce emissions by: 1. Preventing deforestation 2. Promoting the reduction of chemical usage on farm 3. Working with farmers on crop intensification. In 2020 approximately 10,000 hectares of land on which McCormick products (black pepper, vanilla, red pepper, oregano) are grown are under Rainforest Alliance certification.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	14	639
To be implemented*	7	15040
Implementation commenced*	5	681
Implemented*	8	5221
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)
1024

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
270000

Investment required (unit currency – as specified in C0.4)
3600000

Payback period
11-15 years

Estimated lifetime of the initiative
11-15 years

Comment
Hunt Valley Compressed Air Upgrade

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)
58

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
5800

Investment required (unit currency – as specified in C0.4)
932000

Payback period
>25 years

Estimated lifetime of the initiative
16-20 years

Comment
London Compressed Air Upgrade

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Energy Management)

Estimated annual CO2e savings (metric tonnes CO2e)
96

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1200

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Smart control system

Estimated annual CO2e savings (metric tonnes CO2e)
960

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
12000

Investment required (unit currency – as specified in C0.4)
30000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)
13.6

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
3900

Investment required (unit currency – as specified in C0.4)
27500

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Reuse of water

Estimated annual CO2e savings (metric tonnes CO2e)
78.2

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
12000

Investment required (unit currency – as specified in C0.4)
24000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption	Biogas

Estimated annual CO2e savings (metric tonnes CO2e)
513.35

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
2478.1

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment

C4.3c

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

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

C4.5

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

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Branded iconic herbs and spices (black pepper, cinnamon, red pepper, oregano, vanilla)

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Rainforest Alliance Certification)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Rainforest Alliance certification is designed to reduce emissions by: 1. Preventing deforestation 2. Promoting the reduction of chemical usage on farm 3. Working with farmers on crop intensification. In 2020 approximately 10,000 hectares of land on which McCormick products (black pepper, vanilla, red pepper, oregano) are grown are under Rainforest Alliance certification. In addition, we have a number of projects actively reducing GHG emissions including a partnership with USAID for vanilla farmers in Madagascar that counteracts deforestation and a joint-funded project with USDA in Indonesia that includes planting 500,000 trees over the next 5 year. https://www.usaid.gov/madagascar/press-releases/usg-through-usaid-funding-global-development-alliance

C5. Emissions methodology

C5.1

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

Scope 1

Base year start
December 1 2014

Base year end
November 30 2015

Base year emissions (metric tons CO2e)
28115

Comment

Scope 2 (location-based)

Base year start
December 1 2014

Base year end
November 30 2015

Base year emissions (metric tons CO2e)
86298

Comment

Scope 2 (market-based)

Base year start
December 1 2014

Base year end
November 30 2015

Base year emissions (metric tons CO2e)
96512

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
32552

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

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

C6.3

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

Reporting year

Scope 2, location-based
84094

Scope 2, market-based (if applicable)
92755

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

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

C6.4a

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

Source
Scope 1 emission exclusion: Facilities with fuel usage below 388,000 kwh per year or 13,000 therms is excluded from reporting(<0.25% baseline usage). Scope 2 emission exclusion: Manufacturing facilities - Include all manufacturing facilities where McCormick has operational control except those with ten or less employees and an annual electricity consumption of less than 350,000 kwh (<0.25% of baseline usage). Non-manufacturing facilities - Include all other facilities with 50 employees or more where McCormick has operational control. Inclusion is optional for any warehouse or office space which consumes less thanv350,000 kwh electricity per year (<0.25% of baseline usage) unless it is located at a manufacturing facility. This assumes that any facility that uses less than 350,000 kWh of electricity annually also uses an amount of fuel which is negligible. Also excluded are following: • The emissions from fuel use for company owned or operated vehicles. A review confirmed that McCormick owns or operates not more than 100 vehicles worldwide. In addition, it operates one leased jet. The estimated combined GHG impact of these vehicles is <1% of the total footprint. • Refrigerant emissions from air-conditioning. For most part, there are HVAC systems in the buildings. There are no large air-conditioning systems and industrial cooling processes in the facilities. We assume that the impact of the air-conditioning used in McCormick's facilities is negligible. • The emissions from the liquid CO2 used in one of the manufacturing facilities. It emits approximately 60 t C¬O2 annually, <0.05% of the of the total footprint and therefore negligible. • The emissions from fuel used in some sub-stations to fire back-up generators. The impact is insignificant. • Refrigerant emissions are excluded and deemed irrelevant. The effect of these exclusions is expected to be small relative to the total footprint and thus they can be justified.

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
The sources are small and less than (<0.25% of baseline usage). The total number of excluded facilities is also insignificant.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2048813

Emissions calculation methodology
Emissions associated with procured raw materials and packaging materials (referred to as direct spend) are calculated with material procurement volume data (e.g. lbs) and emission factors from Ecoinvent 3 and other reputable sources. For materials with particularly high estimated emissions impact, McCormick engaged its suppliers to collect data to develop more supplier- and product-specific emission factors. For indirect spend (all goods and services procured that are not directly incorporated into a final product), emissions are estimated based on total spend per business activity type using the relevant input-output emission factors provided by DEFRA. Both direct and indirect spend calculations are adjusted to account for the estimated portion of activity not covered by the activity data (<10% for both).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
16

Please explain

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
91332

Emissions calculation methodology
Emissions are estimated based on total spend per capital good type by applying the relevant input-output emission factors provided by DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

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

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
18336

Emissions calculation methodology
Emissions are calculated using global electricity and fuel use data from McCormick's scope 1&2 calculations and upstream T&D loss emission factors from DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The emissions represent 0.7% of total Scope 3 emissions and are therefore not relevant.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
147566

Emissions calculation methodology
Emissions are calculated with McCormick's global transport and warehousing activity data, applying transportation emission factors from DEFRA and the US EPA and storage emission factors estimated based on the emissions intensities of comparable McCormick facilities. Calculations for both transport and storage are then adjusted to account for the estimated portion of activity not covered by the available data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Waste generated in operations

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
4139

Emissions calculation methodology
Emissions are calculated using global solid waste and water use data and the appropriate solid waste/wastewater treatment emission factors from DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The emissions represent 0.2% of total Scope 3 emissions and are therefore not relevant.

Business travel

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
8548

Emissions calculation methodology
McCormick's business travel service provider calculates the emissions for flights and train transport, and the activity data for car rentals and hotel stays (rental days and hotel nights, respectively). Assumptions are made for vehicle miles per day to estimate fuel use; then appropriate emissions factors are taken from DEFRA. Total emissions calculations are then adjusted to account for the estimated portion of activity not covered by the available data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
56

Please explain
The emissions represent 0.3% of total Scope 3 emissions and are therefore not relevant.

Employee commuting

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
13162

Emissions calculation methodology
McCormick assumed each employee commutes with a 40km round trip with an average car, 5 days a week, 48 weeks/yr. Applying these assumptions, McCormick calculated that each employee has a commuting emission factor of 1.1 tCO2e per year. This factor is then applied to all employees globally.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The emissions represent 0.5% of total Scope 3 emissions and are therefore not relevant.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
McCormick does not have any additional upstream leased assets not already included in the boundary of our Scope 1 and 2 reporting.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
49189

Emissions calculation methodology
Limited activity data is currently available to estimate this category. Downstream transport and distribution is estimate to make up approximately 25% of total transport and distribution activity (with category 4, upstream T&D accounting for the remaining 75%). Accordingly, the total emissions for this category are estimated from upstream T&D by applying this assumption.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This category was deemed relevant because it makes up about 2% of Scope 3 emissions.

Processing of sold products

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
34718

Emissions calculation methodology
McCormick estimated the approximate portion of product coming from each facility (on a weight basis) that will undergo additional processing. The emissions factor is conservatively estimated based on the processing emissions for a particular McCormick product with large production volume and high processing emissions. To make a conservative estimate, this emissions factor is applied to the entire estimated processed volume.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The emissions represent 1.3% of total Scope 3 emissions and are therefore not relevant.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The use of McCormick's sold products is deemed not relevant to its Scope 3 footprint because there are no direct emissions associated with their use.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
171950

Emissions calculation methodology
The emissions for this category were estimated by taking the total production volume (weight) of sold product and assuming that all packaging materials entered the waste stream and 33% of food items were wasted (due to food waste). These waste streams were then assumed to undergo the US-average end-of-life treatment for each material group (plastic, paper, food, etc.). The end of life emissions are then calculated using DEFRA waste emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
McCormick does not have any downstream leased assets.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
McCormick does not have any franchises.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
McCormick does not have relevant investments.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

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

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?
Yes

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

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity
Agriculture/Forestry

Scope 3 category
Purchased goods and services

Emissions (metric tons CO2e)
1714852

Please explain
Emissions associated with procured raw materials and packaging materials (referred to as direct spend) are calculated with material procurement volume data (e.g. lbs) and emission factors from Ecoinvent 3 and other reputable sources. For materials with particularly high estimated emissions impact, McCormick engaged its suppliers to collect data to develop more supplier- and product-specific emission factors. Direct spend calculations are adjusted to account for the estimated portion of activity not covered by the activity data (<10% for both). The emissions figure here reflects only purchased goods and services associated with agriculture/forestry, including raw materials included in McCormick final products as ingredients or packaging.

Activity
Distribution

Scope 3 category
Upstream transportation and distribution

Emissions (metric tons CO2e)
147566

Please explain
Emissions are calculated with McCormick's global transport and warehousing activity data, applying transportation emission factors from DEFRA and the US EPA and storage emission factors estimated based on the emissions intensities of comparable McCormick facilities. Calculations for both transport and storage are then adjusted to account for the estimated portion of activity not covered by the available data.

Activity
Distribution

Scope 3 category
Downstream transportation and distribution

Emissions (metric tons CO2e)
49189

Please explain
Limited activity data is currently available to estimate this category. Downstream transport and distribution is estimated to make up approximately 25% of total transport and distribution activity (with category 4, upstream T&D accounting for the remaining 75%). Accordingly, the total emissions for this category are estimated from upstream T&D by applying this assumption.

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

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

Yes

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

(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

Emissions (metric tons CO2)

556

Methodology

Default emissions factors

Please explain

In 2019, McCormick started sourcing renewable natural gas for two of its manufacturing facilities in the UK. We applied DEFRA's out-of-scope emissions factor to calculate the CO2 emissions from this biogenic source.

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

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

Agricultural commodities

Rice

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

McCormick has identified rice as one of the commodities to be included in the Scope 3 emissions reduction strategy.

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

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Rice

Reporting emissions by

Unit of production

Emissions (metric tons CO2e)

1.78

Denominator: unit of production

Kilograms

Change from last reporting year

This is our first year of measurement

Please explain

McCormick has identified rice as one of the commodities to be included in the Scope 3 emissions reduction strategy. Emissions were calculated using Ecoinvent.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000023

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
125307

Metric denominator
unit total revenue

Metric denominator: Unit total
5347400000

Scope 2 figure used
Market-based

% change from previous year
1.1

Direction of change
Decreased

Reason for change
We believe the change is in part due to emissions reduction activities implemented in the reporting year, including improved efficiency of the business, improvements in the power grids renewable energy and renewable energy purchases including the purchase of renewable natural gases (RNG) for two of our UK facilities.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	407
Canada	1754
China	3988
El Salvador	93
France	624
India	491
Italy	1836
Mexico	26
Poland	931
Thailand	35
Turkey	220
United States of America	20100
United Kingdom of Great Britain and Northern Ireland	2046

C7.3

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

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Americas	21973
Europe, Middle East, Africa	5657
China	3988
Asia Pacific	934

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

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

Yes

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

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

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

32552

Methodology

Region-specific emissions factors

Please explain

The Scope 1 emissions reported here are identical to what is reported in section C6.1. Any emissions from distribution or farming of agricultural raw materials are Scope 3 emissions.

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Australia	6978	6978	9158	0
Canada	1331	391	8624	0
China	13436	13436	26925	163
El Salvador	352	352	1319	0
France	690	635	11934	0
India	946	946	1294	0
Italy	2398	3906	8018	0
Mexico	920	920	1976	0
Poland	3895	5079	5615	0
Portugal	42	47	148	0
Thailand	2654	2654	5500	0
Turkey	834	834	1793	0
United Kingdom of Great Britain and Northern Ireland	3231	4438	14249	2600
United States of America	45750	51503	103981	7314
South Africa	638	638	672	0

C7.6

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

By business division

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Americas	48353	53166
Europe, Middle East, Africa	11728	15577
China	13436	13436
Asia Pacific	10577	10577

C7.9

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

Decreased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2991	Decreased	2.38	McCormick increased the total renewable energy procurement in 2019 for both renewable electricity and renewable natural gas. The increase in renewable energy procurement is equivalent to 2,991 metric ton of CO2e emissions. The percentage change is calculated by dividing 2,991 tCO2e by the gross Scope 1 and 2 emissions from the previous reporting period (2,991 tCO2e / 125,655 tCO2e * 100% = 2.38%).
Other emissions reduction activities	2230	Decreased	1.77	This calculation is based on emissions reduction initiatives undertaken by McCormick to increase building and processes efficiency as reported in 4.3b in last year's CDP response and this response. The percentage change is calculated by dividing the difference in estimated emissions savings by the gross Scope 1 and 2 emissions from the previous reporting period (2,230 tCO2e / 125,655 tCO2e * 100% = 1.77%).
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	2792	184246	187038
Consumption of purchased or acquired electricity	<Not Applicable>	10078	183389	193467
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	7738	7738
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	12870	375373	388243

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

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

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
937

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.7

Unit
kg CO2e per liter

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

Comment

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
401

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2992

Unit
kg CO2e per metric ton

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

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
182907

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
1.2

Unit
kg CO2e per liter

Emissions factor source
DEFRA 2018

Comment
This number excludes the consumption of Renewable Natural Gas, which is reported separately below.

Fuels (excluding feedstocks)
Other, please specify (Renewable Natural Gas - blend of landfill gas and biogas)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
2792

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0

Unit
kg CO2 per KWh

Emissions factor source

Comment

C8.2e

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

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
6617

Comment

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe, Middle East and Africa (EMEA)

MWh consumed accounted for at a zero emission factor
2600

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
697

Comment

Sourcing method
Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type
Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling
China

MWh consumed accounted for at a zero emission factor
163

Comment

C9. Additional metrics

C9.1

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

Description
Waste

Metric value
63

Metric numerator
42,383 total waste recycled (short tons)

Metric denominator (intensity metric only)
67,218 total waste generated (short tons)

% change from previous year
2

Direction of change
Increased

Please explain
Recycle and Recovery rate is equal to the waste which is recycled divided by the total waste generated. Recycling does not include waste which is incinerated with or without energy recovery. The company goal is to achieve a recycle and recovery rate of 80% by 2025.

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

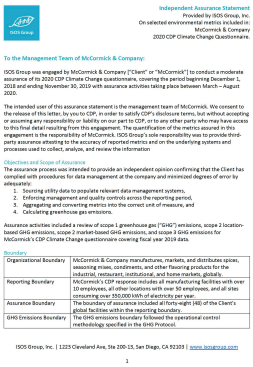
Type of verification or assurance
Limited assurance

Attach the statement
IG_MKC - Independent Assurance Statement (CDP 2020).pdf

Page/ section reference
pg 1,3,4

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100



Independent Assurance Statement
Provided by ISOS Group, Inc.
On selected environmental metrics included in:
McCormick & Company
2020 CDP Climate Change Questionnaire.

To the Management Team of McCormick & Company:

ISOS Group was engaged by McCormick & Company ["Client" or "McCormick"] to conduct a moderate assurance of its 2020 CDP Climate Change questionnaire, covering the period beginning December 1, 2018 and ending November 30, 2019 with assurance activities taking place between March – August 2020.

The intended user of this assurance statement is the management team of McCormick. We consent to the release of this letter, by you to CDP, in order to satisfy CDP's disclosure terms, but without accepting or assuming any responsibility or liability on our part to CDP, or to any other party who may have access to this final detail resulting from this engagement. The quantification of the metrics assured in this engagement is the responsibility of McCormick. ISOS Group's sole responsibility was to provide third-party assurance attesting to the accuracy of reported metrics and on the underlying systems and processes used to collect, analyze, and review the information

Objectives and Scope of Assurance
The assurance process was intended to provide an independent opinion confirming that the Client has complied with procedures for data management at the company and minimized degrees of error by adequately:

1. Sourcing utility data to populate relevant data management systems,
2. Enforcing management and quality controls across the reporting period,
3. Aggregating and converting metrics into the correct unit of measure, and
4. Calculating greenhouse gas emissions.

Assurance activities included a review of scope 1 greenhouse gas ("GHG") emissions, scope 2 location-based GHG emissions, scope 2 market-based GHG emissions, and scope 3 GHG emissions for McCormick's CDP Climate Change questionnaire covering fiscal year 2019 data.

Boundary

Organizational Boundary	McCormick & Company manufactures, markets, and distributes spices, seasoning mixes, condiments, and other flavoring products for the industrial, restaurant, institutional, and home markets, globally.
Reporting Boundary	McCormick's CDP response includes all manufacturing facilities with over 10 employees, all other locations with over 50 employees, and all sites consuming over 350,000 kWh of electricity per year.
Assurance Boundary	The boundary of assurance included all forty-eight (48) of the Client's global facilities within the reporting boundary.
GHG Emissions Boundary	The GHG emissions boundary followed the operational control methodology specified in the GHG Protocol.

ISOS Group, Inc. | 1225 Cleveland Ave, Ste 200-15, San Diego, CA 92103 | www.isosgroup.com

1

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
IG_MKC - Independent Assurance Statement (CDP 2020).pdf

Page/ section reference
pg 1,3,4

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3 (upstream & downstream)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
IG_MKC - Independent Assurance Statement (CDP 2020).pdf

Page/section reference
pg 1,3,4

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

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

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

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

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

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

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number

1

% total procurement spend (direct and indirect)

13.5

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

McCormick's supply chain spans over 3,000 agricultural products sourced from more than 80 countries. To kick start our sustainable agriculture initiatives and help improve the resilience of agricultural suppliers, we have engaged with smallholder farmers that supply McCormick's five iconic ingredients as identified in our PLP strategy - Black Pepper, Cinnamon, Oregano, Red Pepper and Vanilla. We have partnered with our suppliers, NGOs, government bodies and other stakeholders to implement farmer training initiatives in Vietnam, Indonesia, India and Madagascar because these are the key sourcing origins of the five iconics that are susceptible to impacts from climate change. Training includes, but is not limited to, the education and execution of SAN standards to achieve Rainforest Alliance certification. We are continuing to work on and fund a number of sustainability initiatives with our suppliers and other strategic partners to implement better agricultural practices of our Tier 2 farmers. These include farmer training and education, increasing the awareness and uptake of certification particularly Rainforest Alliance (RFA), working with Government and Centers of Education in research and development and introducing technology to efficiently manage crop cultivation.

Impact of engagement, including measures of success

Impact of engagement: We have partnered with our suppliers, NGOs, government bodies and other stakeholders to implement farmer training initiatives in Vietnam, Indonesia, India and Madagascar because these are the key sourcing origins of the five iconics that are susceptible to impacts from climate change. Training includes, but is not limited to, the education and execution of SAN standards to achieve Rainforest Alliance certification. We are continuing to work on and fund a number of sustainability initiatives with our suppliers and other strategic partners to implement better agricultural practices of our Tier 2 farmers. These include farmer training and education, increasing the awareness and uptake of certification particularly Rainforest Alliance (RFA), working with Government and Centers of Education in research and development and introducing technology to efficiently manage crop cultivation. Measurement of Success: We measure our success by the number of farmers in our supply chain that achieve Rainforest Alliance certification. During the 2019 crop year it is estimated that approximated 8,500 farmers in our iconic raw ingredient supply chains achieved this certification. Farmers who implement SAN standards can diminish their farm's emissions of greenhouse gases and increase carbon dioxide sequestration in soil. Practices include soil cover management, planting trees and other perennial vegetation, proper sourcing and management of fertilizers and fuels, management of effluent ponds and manure, proper waste management, use of clean technologies, improvement of energy efficiency, reduction in tillage, and participation in local or regional initiatives aimed at greenhouse gas reduction and carbon dioxide sequestration. Farms are audited by third party certification bodies and success will be measured by the awarding of Rainforest Alliance certification.

Comment

C12.1b

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

Type of engagement
Education/information sharing

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

% of customers by number
1

% of customer - related Scope 3 emissions as reported in C6.5
29

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We engage with our major retail customers and partners through the annual CDP disclosure cycle and other sustainability reporting platforms.

Impact of engagement, including measures of success
Impact of engagement: As a result of our engagement, we have seen improved customer intimacy, trust and business loyalty. Measure of success: For example, McCormick's goals to reduce emissions in our value chain through sustainable sourcing and the reduction of packaging waste contribute further to Wal-Mart's Project Gigaton, in which Wal-Mart aims to avoid one billion metric tons of GHG emissions in its value chain.

C12.1d

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

McCormick has set ambitious sustainable sourcing targets for 2025 and recognizes that it is essential to partner with a diverse group of stakeholders to achieve them. To date we have engaged with external stakeholders such as international government and regulatory authorities, non-governmental organizations (NGOs), trade groups and industry organizations as well as peers and suppliers. In partnership, we have identified and created initiatives to build small holder farmer resilience in the supply chain and train farmers in good agricultural practices that includes the agricultural affects on and impacts of climate change. We are working towards implementing Rainforest Alliance certification (RA) across the five iconics (Black Pepper, Red Pepper, Cinnamon, Vanilla, Oregano), which actively promotes Climate Smart Agriculture (CSA) through the Sustainable Agriculture Network (SAN) standard.

For example, McCormick works with NGOs and donor partners to design comprehensive development programs in Madagascar and Indonesia to support farmers as they diversify their income sources. We have partnered with USAID, USDA, GIZ and NCBA CLUSA to improve the resilience of around 10,000 vanilla smallholder farmers. Our programs focus on maintaining forests, biodiversity and soil health, and ensuring natural resources and ecosystem services will support long-term prosperity in local communities. These initiatives aim to increase incomes while protecting biodiversity and improving governance through strong farmer cooperatives and Rainforest Alliance certification. We aim to positively impact 90% of farmers by implementing initiatives to improve their resilience by 2025.

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

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

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

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

Management practice reference number
MP1

Management practice
Biodiversity considerations

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

Your role in the implementation
Financial
Procurement

Explanation of how you encourage implementation
McCormick have provided upfront financial assistance and/or pay a premium for the implementation of RA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit

Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)

Comment

Management practice reference number
MP2

Management practice
Integrated pest management

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

Your role in the implementation
Financial
Procurement

Explanation of how you encourage implementation
McCormick have provided upfront financial assistance and/or pay a premium for the implementation of RA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit
Reduced demand for pesticides (adaptation)

Comment

Management practice reference number
MP3

Management practice
Waste management

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

Your role in the implementation
Financial
Procurement

Explanation of how you encourage implementation
McCormick have provided upfront financial assistance and/or pay a premium for the implementation of RA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit
Emissions reductions (mitigation)

Comment

Management practice reference number
MP4

Management practice
Reducing energy use

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

Your role in the implementation
Financial
Procurement

Explanation of how you encourage implementation
McCormick have provided upfront financial assistance and/or pay a premium for the implementation of RA standards across the five iconics. We adopt a partnership approach with strategic vendors to source certified material.

Climate change related benefit
Emissions reductions (mitigation)

Comment

Management practice reference number
MP5

Management practice

Fertilizer management

Description of management practice
Our Joint Venture company, AVT McCormick, based in India, have rolled out a number of farm level initiatives through their backwards integration program. This includes encouraging and supporting farmers in the uptake of fertigation - the application of fertilizer through drip irrigation. This highly targeted method of plant fertilization reduces the volume of fertilizer used by farmers.

Your role in the implementation
Operational

Explanation of how you encourage implementation
AVT McCormick's field teams train farmers on the benefits of fertigation and assist in implementation.

Climate change related benefit
Reduced demand for fertilizers (adaptation)

Comment

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

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

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
No

C12.3g

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

McCormick believes that our statements on climate change in our 2019 Purpose-lead Performance Report are the most effective way to advocate our position based on the scale and scope of our company. We do not find that engagement through trade associations to be effective.

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

C12.4

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

Publication
In mainstream reports

Status
Complete

Attach the document
2019_Annual_Report.pdf

Page/Section reference
Pages 15, 24, 27, 29, 51

Content elements
Strategy
Risks & opportunities
Other metrics

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2019_PLP_Progress_Report.pdf

Page/Section reference
Pages 6, 42-52, 56-58, 69

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
"We are committed to lessening the effects of climate change by adhering to Science Based Targets that help reduce our carbon emissions, energy consumption, waste, and water use. To achieve these goals, we've increased the use of renewable energy, invested in improved technologies and are in the process of embedding sustainable practices across the enterprise" (page 6, PLP report).

C13. Other land management impacts

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

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

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

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

Management practice reference number
MP1

Overall effect
Positive

Which of the following has been impacted?
Biodiversity
Soil
Water

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

Have any response to these impacts been implemented?
No

Description of the response(s)
We have not engaged with our suppliers to learn about their response to this impact to date, but aim to do so in the future.

Management practice reference number
MP2

Overall effect
Positive

Which of the following has been impacted?
Biodiversity
Water
Yield

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

Have any response to these impacts been implemented?
No

Description of the response(s)
We have not engaged with our suppliers to learn about their response to this impact to date, but aim to do so in the future.

Management practice reference number
MP5

Overall effect
Positive

Which of the following has been impacted?
Soil
Water
Yield

Description of impacts
The use of fertigation allows essential nutrients to be delivered to plants in a specialized and exact way. Studies have shown that this can increase yield. The reduction in volume of fertilizer used also improves soil health and reduces leaching into ground water.

Have any response to these impacts been implemented?
No

Description of the response(s)
We have not engaged with our suppliers to learn about their response to this impact to date, but aim to do so in the future.

C15. Signoff

C-FI

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

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President Global Supply Chain (functional equivalent to COO in McCormick company hierarchy)	Chief Operating Officer (COO)