



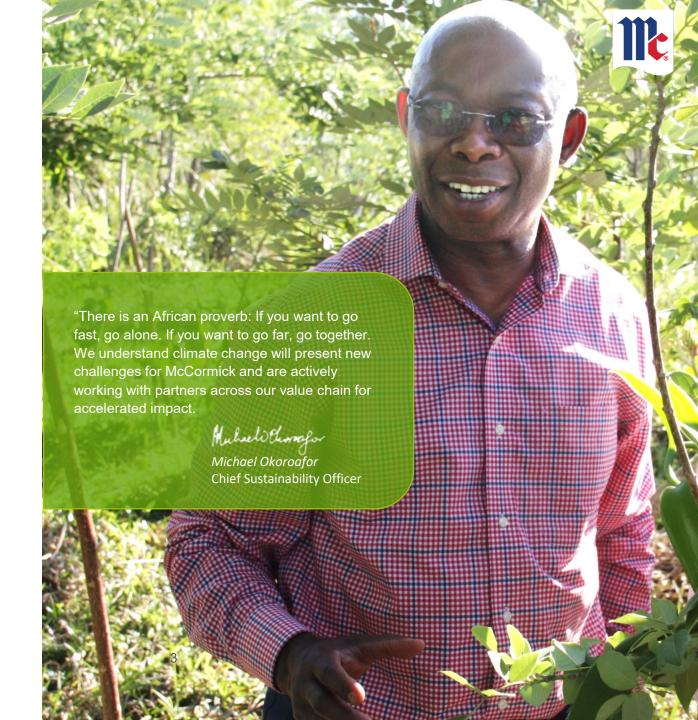
# McCORMICK'S COMMITTMENT

As a leader in the global food industry, we work to limit the impacts of our operations and supply chain on the environment and have a unique responsibility to demonstrate positive change within the industry.

In 2021, we set ambitious science-based goals to reduce emissions for our operations (Scopes 1 & 2) by 42% by 2030 and emissions from our value chain (Scope 3) by 42% by 2030. This goal aligns with the latest science, which stresses the importance of limiting the rise of global temperatures to 1.5 degrees Celsius to avoid the catastrophic effects of climate change. Aligned with the Paris Agreement, our 2030 goals and long-term target to achieve net zero by 2050 have been validated by the Science Based Targets initiative.

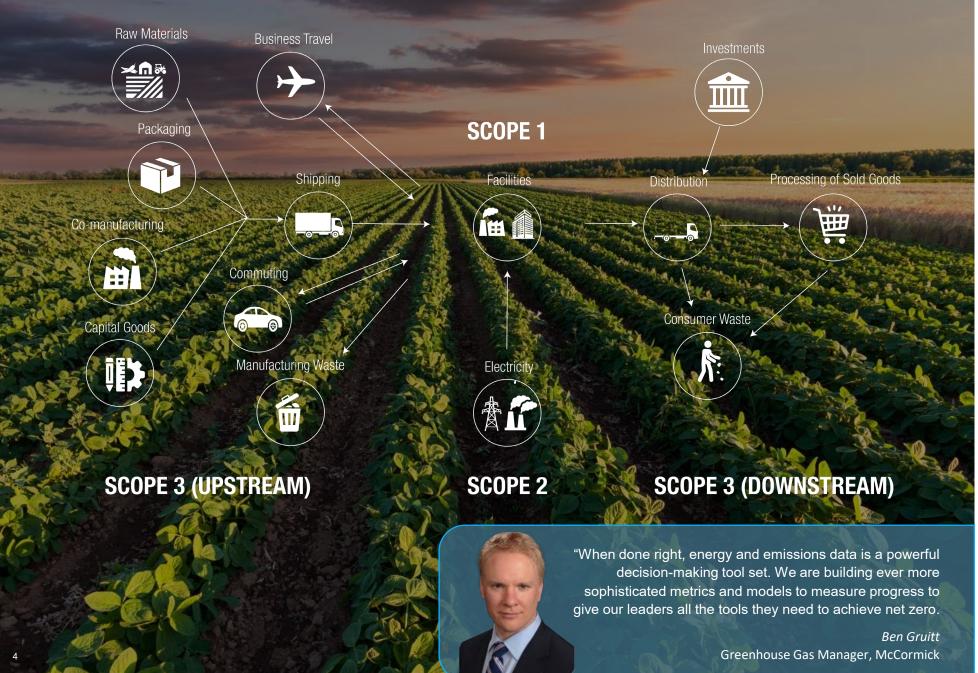
McCormick's Climate Transition Action Plan is a reflection of these commitments. Within this document we outline our roadmap to decarbonization, and—importantly—the actions we are taking on our journey to net zero and examples of the impact we have realized already. To reduce our operational footprint (Scope 1 & 2), we continue to make incremental improvements through investments at the site level which create a pathway to meeting our 2030 goal. Scope 3 emissions account for over 95% of our overall greenhouse gas emissions. We know that reducing these emissions will take partnership throughout our value chain. We are establishing abatement strategies for our top emitting value chains including dairy, packaging and agricultural raw materials.

In addition to decarbonization actions, we continue to monitor the latest target-setting guidance and expect to set Forest, Land, and Agriculture (FLAG) science-based targets and reflect them in our action plan. As a company with significant ties to the global agricultural community, McCormick recognizes the need to address emissions associated with the land we source from. For residual emissions, reduction of emissions associated with land use will come from a combination of addressing land use change, land management techniques, nature-based solutions, and direct carbon removals.



# McCORMICK'S CARBON FOOTPRINT OVERVIEW





McCormick uses the operational control approach for the purposes of GHG emissions reporting.

GHG emissions are calculated for Scope 1 and 2 for all facilities over which McCormick has operational control as well as those Scope 3 emissions categories within our value chain shown in the diagram at the left. We use our 2020 fiscal year as a baseline with which to measure all progress towards reduction goals.

In addition to focusing on activities which reduce overall emissions, McCormick strives to continually improve our data fidelity by replacing secondary data and estimations with documented primary data. We continue to invest in data management and engagement with stakeholders to remain on track to achieve our 2030 and 2050 goals.

# OUR ROADMAP TO DECARBONIZATION

#### **Setting Targets**



### **Building Foundation**



### 



#### Our Journey to Net Zero

McCormick is committed to doing our part to prevent the most damaging effects of climate change while delivering top tier financial performance.

McCormick emitted 3.2 million MTCO<sub>2</sub>e of GHG emissions in 2020. During this journey our guiding principles are:

- Collaborating to enable collective action
- Continuously assess climate related impact and adapt our plan accordingly
- Strengthening data management for evidencebased approaches

#### 2021

- Achieved initial Scope 1 & 2 goal
- Joined Business Ambition for 1.5° C

#### 2022

 Near-term (2030) targets validated by SBTi<sup>1</sup>

#### 2023

- Long-term (2050) net zero targets validated by SBTi
- Completed climate-related scenario analysis
- Updated GHG inventory

#### 2024-2025

- Develop carbon accounting platform and LCAs for key raw materials
- Submit forest, land use and agriculture (FLAG) targets for SBTi validation
- Develop abatement plans for top-emitting value chains

#### Direct operations (Scope 1 & 2)

- Drive energy efficiency
- Transition to renewable energy

#### **Indirect Emissions (Scope 3)**

- Reduce waste-related emissions
- Strengthen value chain engagement
- Implement regenerative agriculture initiatives
- Reduce carbon footprint from packaging

#### Scope 1 2 & 3

- Utilize nature-based solutions and direct carbon removals to address residual emissions, in line with SBTi net zero guidance
- Follow SBTi net zero guidance for emissions reductions carbon removals and restricted use of carbon offsets

42%

Our current SBTi-validated near-term targets are 42% absolute emissions reduction for Scope 1 & 2 and 42% for Scope 3

NET ZERO EMISSIONS

Path to zero emissions by 2050

--- Business as usual

2020 2022 2025 2030 2050

MCCORMICK'S FY2023
GHG FOOTPRINT BY SCOPE



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GHG FOOT	PRINT BY SCOPE	SCOPE	DESCRIPTION	EMISSIONS % (MTCO <sub>2</sub> E)
	DIRECT INDIRECT FUEL ENERGY	Scope 1	DIRECT FUEL  These emissions are generated from the consumption of natural gas and other fossil fuels for space heating and certain manufacturing processes in McCormick's global facilities.	1% (34,432)
ALL OTHER INDIRECT EMISSIONS 17%	1% 1%	Scope 2 (market-based)	INDIRECT ENERGY Scope 2 emissions come from McCormick's purchase and consumption of non-renewable electricity and steam in our manufacturing facilities, distribution centers, and offices worldwide.	1% (41,577)
LOGISTICS 8%  CO- MANUFACTURING  8%  PACKAGING		Scope 3	RAW MATERIALS  McCormick relies on a global network of farmer's and suppliers to produce ingredients for our herbs, spices, seasonings, condiments, and flavors. How these stakeholders manage their land and grow and produce raw materials can have an impact on McCormick's value chain emissions.	57% (1,783,524)
	57% RAW		PACKAGING Packaging helps keep food safer, longer, but also has an emissions footprint driven by sourcing and manufacturing.	8% (236,293)
	MATERIALS		CO-MANUFACTURING  McCormick relies on 3rd party manufacturers to produce some of our finished products. Emissions associated with their operations contributes to our Scope 3 emissions.	8% (239,744)
			LOGISTICS  Moving raw materials and finished goods requires shipping through a variety of transportation modes. Today, many of these vehicles still rely on fossil fuels.	8% (256,881)
			ALL OTHER INDIRECT EMISSIONS  Examples of other emissions include those from business travel, facility waste, employee commuting, and disposal of packaging	17% (524,103)
		Total		<b>100%</b> (3,116,554)

# DECARBONIZATION PLAN AT A GLANCE



Taking action to reduce our operational footprint

SCOPE 1 | DIRECT FUEL

**Driving Energy Efficiencies** 

SCOPE 2 | INDIRECT ENERGY

Transitioning to Renewable Energy



"The emphasis for McCormick's Climate Transition Action Plan is action: action from team members across McCormick to drive progress towards our science-based climate goals. We are reducing emissions in our operations and value chain by partnering on both proven and innovative solutions.

Kathy Rostkowski Vice President Global Sustainability, McCormick

Partnering throughout our value chain to reduce emissions

SCOPE 3 | RAW MATERIALS

Implementing
Regenerative
Agriculture
Initiatives

SCOPE 3 | PACKAGING

Reducing Our Carbon Footprint From Packaging SCOPE 3 | Co-Manufacturing

Strengthening
Engagement
With Comanufacturing
Partners

SCOPE 3 I LOGISTICS

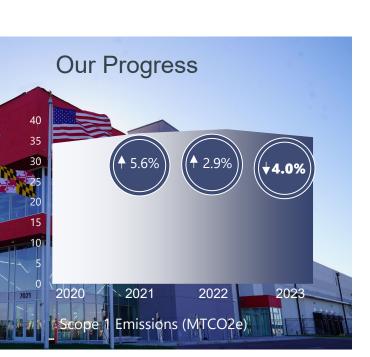
Evaluating
Logistics
Partners For
Climate
Leadership
Initiatives

SCOPE 3 | ALL OTHER INDIRECT EMISSIONS

Reducing
Greenhouse
Gas Emissions
From All Other
Indirect
Emissions



O Driving energy efficiencies through investments in green buildings, upgrading to high-efficiency equipment, and electrifying operations





"Supply Chain sustainability is key to getting to net zero, and leaders must drive this transformation by embracing renewable energy and sustainable practices.

Lennox Superville Vice President Global Supply Chain Excellence, McCormick

## Efficiencies Are Beginning to Have an Impact, But **Electrification Will Be Key**

Spanning over 1,800,000 square feet, our Maryland Logistics Center (MLC) is **LEED Gold certified** building and design construction and is at the forefront of innovation through supply chain modernization and optimization.

The mechanical systems include a high efficiency chiller/boiler plant for air conditioning and heating, high volume low velocity fans and a high-speed variable air compressor plant. The lighting design for the building includes 100% LED fixtures and optimized lighting controls.



**(1)** Transitioning to renewable and carbon free energy in our global operations





"McCormick has made great electricity at our facilities and is continuing to look for new know that will not be enough to is why we are developing sitespecific strategies that reduce overall and seek additional

**Director Global Supply** 

## Significant Progress Towards Our 2030 Target

McCormick is one of three major partners to support a commitment to purchase renewable power and projectspecific renewable energy certificates (RECs) from the

The Center is based in Virginia and provides 100 percent renewable electricity for our Maryland and New Jerseybased facilities.

Renewable energy procurement is driving McCormick's emissions reductions, contributing to a 40% reduction across scope 1&2 towards our 42% 2030 target.





**W** Implementing regenerative agriculture practices which train farmers on soil health and climate-smart agriculture techniques

**Progress** 



Cinnamon

Red Pepper

Oregano

of our top five branded iconic ingredients were sustainably sourced in 2023

SCOPE 3 **TARGET** 1,783,524 MTCO<sub>2</sub>E

"Global climate change will impact us all, but farmers may be the most affected. At the heart of our sourcing, McCormick supports farming communities through longstanding relationships, providing tools and knowledge to implement climate-resilient and regenerative practices, benefiting both their children and the global net zero effort.

Matthieu Guemas Agricultural and Sustainability Director, McCormick

# Our Key Actions

LEVERAGING GROWN FOR GOOD to implement scalable regenerative farming practices in herbs and spices

PROVIDING EDUCATION TO OVER 40,000 FARMERS on climate awareness and climate resilient farming

SETTING ZERO DEFORESTATION COMMITMENTS across key supply chains in line with SBTi net zero guidance

UTILIZING SUPPLY CHAIN ASSESSMENT to maximize our impact on carbon reduction

COLLABORATING WITH, AND SUPPORTING, KEY SUPPLIERS to setup their own SBTi targets

## Grown for Good

To underscore our commitment to sustainable sourcing, we have created our Grown for Good framework, which drives community resilience, including economic stability for farmers, gender equality and women's empowerment.

Under the framework, we developed our own third-party verified sustainability standard, which conservation and regenerative farming practices.





Reducing our carbon footprint from packaging by supporting a circular plastics economy, reducing our use of virgin materials



Our Progress

81%

of our packaging can be reused, recycled or re-purposed

"Given the complexity of challenges in reducing packaging emissions, we are taking a holistic view of achieving our targets that includes initiatives on right sizing, reusable models, material switching, and end-of-life solutions.

Raqy Delos Reyes
Director Global Sustainable
Packaging, McCormick

## Our Key Actions

COLLABORATING WITH VENDORS to find innovative solutions to the flexibles challenge, such as utilizing mono-materials

**RECYCLED SOURCES** for packaging materials

PILOTING THE USE OF INNOVATIVE MATERIALS (e.g., bioplastics) for functional replacements

CONTINUE TO OPTIMIZE our packaging design

PRIORITIZE USE OF MATERIALS with established recycling waste streams

INCORPORATING SUSTAINABILITY DESIGN principles into every packaging decision we make



### Flexible Packaging

Flexible packaging continues to be a challenge for the CPG industry, including McCormick. We are collaborating in industry initiatives to stay on the leading edge of solutions.



Using 50% PCR bottles for McCormick everyday herbs & spices reduces the carbon footprint of our current bottles by approx. 18-23% across sizes.

NOTE: CAP NOT MADE WITH PCR

Our U.S. Everyday Core Herbs and Spices portfolio was redesigned to incorporate 50% post consumer recycled (PCR) plastic and is 100% recyclable







Strengthening engagement with comanufacturing partners through joint collaborations that enable emission reductions

### Our Progress

# **Accelerating climate** action through collective action.



suppliers enrolled in S-LoCT: 73% have a scope 1 and 2 footprint and 77% have disclosed their climate progress to CDP.



"We are working with our global network of suppliers to pilot how different management practices can improve outcomes while reducing emissions. These pilot projects provide a platform to determine the most adaptable practices, which enables us to scale emissions reductions throughout our supply chain.

Adrienne Gifford **Director Sustainable** Procurement, McCormick

## Our Key Actions

ENGAGING co-manufacturing partners on emission abatement strategies across key categories and packaging

IMPROVING DATA FIDELITY through increased use of primary data and implementing digital tools for data collection and analysis

**SETTING PROCUREMENT REQUIREMENTS** for emissions abatement

#### Collective Action



McCormick is a founding partner in the S-LoCT collaboration reducing Scope 3 GHG emissions

McCormick has joined forces with other brands, including Mars and PepsiCo, to support implementing partner, Guidehouse, in establishing the Supplier Leadership on Climate Transition collaborative (S-LoCT).

The program is designed to mobilize collective climate action by providing suppliers with resources, tools, and knowledge to support their own climate journeys



Evaluating logistics partners for climate leadership initiatives





"Electrification in logistics isn't just a shift in power—it's a powerful shift toward sustainability. By embracing electric solutions, we're not just delivering goods, but also a cleaner, greener future with every charge.

Heather Marlowe
Procurement Manager Supply
Chain Operations, McCormick

## Our Key Actions

TARGET NEW SUPPLIERS AND EXPAND USE WITH CURRENT SUPPLIERS with public net zero ambitions

SEEK LOGISTICS PARTNERS FOCUSED ON FLEET ELECTRIFICATION

**DEVELOP SUPPLIER-SPECIFIC EMISSION FACTORS** to measure yearly changes

#### Our Focus

Moving raw materials and finished goods requires shipping through a variety of transportation modes. Today, many of these vehicles rely on fossil fuels.



Enhance Scope 3 platform to incorporate changes in supplier and McCormick practices (route optimization, mode optimization, fleet electrification, increase full truckload shipments) in emissions calculations

Monitor large industry initiatives for scalable solutions and opportunities to engage (e.g., ZEMBA)



Reducing
 greenhouse gas
 emissions from all
 other indirect
 emissions such as
 facility waste

## Our Progress





"We are continuously looking for more efficient ways to gather primary data and reduce our dependence on proxy data to calculate our annual emissions. Focusing on developing our internal platform on GHG, water, and waste data, to become ever more accurate and timely puts data-driven decision making in the hands of our sustainability leaders.

Josh Epperson
Al, Automation and Data
Science Director, McCormick

# Our Key Actions

**ENGAGING SUPPLIERS** on emissions reduction activies, including the development of product-specific emission factors with accompanying abatement strategies

SHIFTING LOGISTICS-RELATED MATERIALS TO REUSABLE MODELS (e.g., reusable totes and pallets vs. one-time use)

SCOPING SITE-SPECIFIC WASTE DIVERSION PROGRAMS that prioritize waste minimization and landfill diversion

## Recycling Operational Waste

Our Monteux, France factory identified several opportunities to recycle operational waste in 2023.

One of the most challenging materials to recycle are the glassine strip sheets that labels are stuck onto as part of the packaging. To account for this, we identified a vendor that would recycle the strips and PET liners which were otherwise sent to the landfill.

This program increased the site's recycling rate by 10%.



