



McCORMICK FOODS AUSTRALIA PTY LTD
ABN: 62 004 763 259

HEAD OFFICE: 63-71 Fairbank Road
Clayton South, VIC 3169

POSTAL: Private Bag 31
Clayton South, VIC 3169

TEL: (03) 9264 0333
FAX: (03) 9548 9198
australia_reception@mccormick.com

Slavery and Human Trafficking Statement for the Australian Modern Slavery Act of 2018 (Cth)

This is the modern slavery and human trafficking statement for purposes of the Australian Modern Slavery Act 2018 (Cth) (the **Australian Act**) of McCormick Foods Australia Pty. Ltd., which is the relevant reporting entity under the Australian Act (referred to in this statement as **McCormick** or the **Company**). This statement was prepared for fiscal year 2019-2020.

The Australian Act requires a relevant reporting entity to lodge a statement for each relevant reporting period which addresses certain reporting requirements including the risks of modern slavery practices occurring in its operations and supply chains and the actions taken to assess and address those risks.

This statement has been approved by the board of directors of McCormick.

Modern Slavery and Human Trafficking

The term "modern slavery" is used to describe a range of situations in which coercion, threats or deception are used to exploit individuals and undermine their freedom. These situations are slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour and the worst forms of child labour. "Human trafficking" occurs when a person arranges or facilitates the travel of another person with a view to the other person being exploited.

Entities covered by this statement

For the purposes of the Australian Act, there is only one entity owned or controlled by McCormick Foods Australia Pty. Ltd., which is Botanical Food Company Pty. Ltd. The statements made in this modern slavery statement apply to this entity as well.

Organizational structure, operations and supply chains

McCormick Foods Australia Pty. Ltd. and Botanical Food Company Pty. Ltd. are wholly-owned subsidiaries of McCormick & Co., Inc. which is a global flavor company founded in 1889 that manufactures, markets, and distributes spices, seasoning mixes, condiments, and other flavorful products to three primary segments of the food industry – retail outlets, food manufacturers, and foodservice businesses. McCormick & Co., Inc. has approximately 12,400 employees worldwide, with major manufacturing operations in North America, Europe, the Middle East and Africa, and Asia Pacific. In Australia, McCormick employs approximately 350 employees and our Australian head office is located in Melbourne.

The Company's business is divided into consumer and flavor solution segments.

A key part of McCormick's value chain is the agricultural producers that provide the raw materials for our products. McCormick ingredients are sourced from a variety of locations, including Brazil, Canada, China, India, Indonesia, Madagascar, Mexico, Turkey, United States, and Vietnam. The most significant raw materials used in our business are pepper, dairy products, vanilla, rice, capsicums (red peppers and paprika), onions, garlic, and wheat flour. Pepper and other spices



McCORMICK FOODS AUSTRALIA PTY LTD
ABN: 62 004 763 259

HEAD OFFICE: 63-71 Fairbank Road
Clayton South, VIC 3169

POSTAL: Private Bag 31
Clayton South, VIC 3169

TEL: (03) 9264 0333
FAX: (03) 9548 9198
australia_reception@mccormick.com

and herbs are generally sourced from countries other than the United States. Other raw materials, like dairy products and onion, are primarily sourced locally, either within Australia or from McCormick's other international locations. A variety of mechanisms are used to source agricultural raw materials, including joint venture partners and strategic alliances. McCormick relies on farmers around the world to produce the raw materials we use in our products. We work with a variety of external partners and stakeholders, including suppliers and non-governmental organizations (NGOs), to identify the specific needs of our sourcing communities and create projects to enhance social and economic livelihoods around the world.

The risk of modern slavery practices

At McCormick, we pride ourselves in delivering high-quality agricultural products that exceed the expectations of our consumers and customers. To achieve this, our products are manufactured in accordance with the highest environmental, social, and governance standards. Ensuring the agricultural raw materials for our products are responsibly produced is a significant challenge because of the complexity of our large agricultural supply chain, which includes many smallholder farmers whose practices can be difficult to regulate. We work in partnership with our suppliers to remove unnecessary intermediaries in the supply chain, establishing direct relationships with farmers that help us overcome these challenges.

Actions taken by McCormick to assess and address those risks

We use the U.S. Department of Labor's High Risk List for Child Labor and Forced Labor as the basis for determining risk in regions and countries where we source ingredients. We continuously assess plans for our highest-risk countries and ingredients and expect our supply partners to reduce and ultimately eliminate incidents of unethical practice throughout our supply chain. For instance, McCormick is part of the SSI (Sustainable Spices Initiative) impact working group, which aims to collaboratively address industry-wide human rights issues, including child labor.

McCormick also works with the Supplier Ethical Data Exchange (SEDEX) and Supplier Member Ethical Trade Audit (SMETA) for various environmental, social and governance assessments for all new suppliers that are defined as critical and high risk in our supply chain. In fact, by increased due diligence and partnerships with SEDEX and SMETA, McCormick has decreased the percentage of our global tier-one suppliers identified as high risk from less than 3% to less than 1%.

McCormick expects its suppliers to be aware of and comply with all applicable laws and regulations of the countries where they conduct business; conduct business responsibly, with integrity, honesty and transparency; and to adhere to McCormick's standards as set forth in its various policies and codes of conduct, as discussed further below, particularly as they apply to the following employment practices: Labor; Working Hours; Compensation; Non-Discrimination; Workplace Health & Safety; and Respect of the Environment.

Our policies and supplier code of conduct

It has always been important that materials used by McCormick in its products are obtained through ethical and fair labor conditions. In general, McCormick's agricultural products are acquired from suppliers who ultimately source raw materials from small individual farms



McCORMICK FOODS AUSTRALIA PTY LTD
ABN: 62 004 763 259

HEAD OFFICE: 63-71 Fairbank Road
Clayton South, VIC 3169

POSTAL: Private Bag 31
Clayton South, VIC 3169

TEL: (03) 9264 0333
FAX: (03) 9548 9198
australia_reception@mccormick.com

managed by family farmers. In all countries where McCormick processes products, products are processed in facilities that comply with existing local laws. In McCormick's processing facilities (foreign and domestic), employees are provided with fair wages, regular working hours, and a clean working environment.

McCormick's Global Supplier Code of Conduct makes clear the Company's commitment to fair labor standards and helps ensure that the Company aligns itself with suppliers that share this commitment and expect the same of their own suppliers. This Code of Conduct states that all vendors, suppliers and contractors who wish to conduct business with McCormick are required to conform to certain principles and practices, such as the following:

- Fair employment practices, including those prohibiting child labor, prison or forced labor, or any form of indentured servitude with stipulations of fair working hours and compensation as well for a safe working environment;
- Compliance with applicable laws, including those pertinent to equal employment opportunities, wages and benefits, and worker and product safety; and
- Ethical business conduct based on compliance with the law, avoidance of conflicts of interest, and respect for the environment.

McCormick seeks to ensure that quality, safety and employment standards are maintained throughout the Company's supply chain and the Company reviews its supplier base to determine if corrective actions are needed. Moreover, McCormick maintains an anonymous hotline staffed by an independent organization for employees to report actual or potential violations of McCormick's policies and codes of conduct without fear of retaliation.

McCormick efforts so far in aligning with the Australian Act requirements include the following:

Verification and audit of product supply chains

While McCormick's Supplier Code of Conduct has been in place for several years, the Company, as described above, has designed a risk-based verification process to identify high-risk suppliers and developed an appropriate, responsible sourcing audit approach to help ensure the Company's product suppliers are in compliance with our Code of Conduct.

Contracting Practices

McCormick's Global Supplier Code of Conduct is designed to be embedded into the Company's procurement practices (and thereby help assure such procurement is free from slavery and human trafficking) by:

- including references to the Code of Conduct in major request for quotations;
- incorporating language in all supply agreements and contracts requiring suppliers to warrant compliance with the Code of Conduct and acknowledge that any known violation may result in immediate termination of any and all business;
- providing a link to the Code of Conduct in certain purchase order terms and conditions stating that acceptance of the purchase order constitutes an agreement to adhere to the latest version of the Code of Conduct;



McCORMICK FOODS AUSTRALIA PTY LTD
ABN: 62 004 763 259

HEAD OFFICE: 63-71 Fairbank Road
Clayton South, VIC 3169

POSTAL: Private Bag 31
Clayton South, VIC 3169

TEL: (03) 9264 0333
FAX: (03) 9548 9198
australia_reception@mccormick.com

- requiring acknowledgement of the Code of Conduct as part of all new suppliers onboarding process;
- issuing the latest Code of Conduct to McCormick's current supplier community and allowing access to a website that uploads any revisions in the future; and
- collaborating with suppliers to share best practices.

Internal accountability and staff training

It is the Company's policy to be a good corporate citizen, as set forth in our Business Ethics Policy (see ir.mccormick.com under **Corporate Governance**, then **Business Ethics Policy**). Wherever McCormick does business, the Company's employees are required to comply with all applicable laws. Human Rights training is provided to appropriate employees on how to mitigate the risk of human trafficking and slavery.

Industry Collaboration

In many cases, McCormick is not the only food company working with a given supplier. One of the reasons McCormick is transparent about the Company's suppliers is to reach out to other food brands and organizations to see how companies can work together. By getting the rest of the industry involved, companies are able to send a stronger message to suppliers about the importance of operating a responsible workplace.

To aid in McCormick's collaboration efforts, the Company is an active member of the Consumer Goods Forum, a global organization whose objective is to bring together consumer goods manufacturers and retailers to provide practical help to implement global standards and best practices for efficiency and positive change. One of their strategic framework pillars focuses on environmental and social sustainability.

Our effectiveness in eliminating slavery and human trafficking

McCormick utilizes a supplier scorecard process that includes the number of suppliers targeted by region and risk level, determined by an assessment and audit score, as a key performance indicator to measure the Company's effectiveness in ensuring that slavery and human trafficking is not taking place in the Company's business or supply chains. This process uses formal assessments and audits to verify that high risk suppliers in the supply chain are in compliance with ILO regulations and McCormick's requirements regarding slavery and human trafficking. McCormick will remain transparent and report on the Company's evolving efforts to combat slavery and human trafficking in the Company's business and supply chains.

McCormick is committed to uncompromising integrity in all that it does.

Consultation process

McCormick & Co., Inc., McCormick Foods Australia Pty. Ltd. and Botanical Food Company Pty. Ltd. each consulted with the other in preparing this statement, including various meetings between each entity's sustainability and procurement teams and briefings for senior staff of each entity.



McCORMICK FOODS AUSTRALIA PTY LTD
ABN: 62 004 763 259

HEAD OFFICE: 63-71 Fairbank Road
Clayton South, VIC 3169

POSTAL: Private Bag 31
Clayton South, VIC 3169

TEL: (03) 9264 0333
FAX: (03) 9548 9198
australia_reception@mccormick.com

Approval

This Statement was approved by the Board of Directors of McCormick Foods Australia Pty. Ltd. on
24th February 2020

Paris Golden

Managing Director

McCormick Foods Australia Pty. Ltd.