



THE MARKET

As a global flavor leader, McCormick & Company has a taste for what and how the world eats like no other company in the world. McCormick's rich 125-year heritage of bringing people together through the universal language of flavor has inspired memorable food experiences while providing the taste behind family traditions passed down from generation to generation.

Founded and headquartered in Maryland, with more than \$4 billion in annual sales and over 10,000 employees worldwide, McCormick manufactures, markets, and distributes spices, seasoning mixes, condiments, and other flavorful products to the entire food industry — retail outlets, food manufacturers, and foodservice businesses — in more than 125 countries and territories. Innovation in flavor and a clear focus on employee engagement and product quality have allowed McCormick to grow its business globally and become the flavor leader it is today.

ACHIEVEMENTS

In 2014 McCormick celebrates its 125th anniversary. McCormick's longevity can be attributed not only to financial performance but also its unique collaborative culture, introduced long before it was the norm and maintained through difficult economic times. Charles Perry (C. P.) McCormick, a pioneer in participative management, understood the powerful results that a company can achieve when employees collaborate and work beyond their line function to help solve big issues, when, as CEO, he established the Multiple Management Board back in 1932. The program and culture are so successful, McCormick's Global Multiple Management Board was recognized by Human Resource Executive Online as one of the Best HR Ideas for 2012 — an 80-plus-year "idea" still working today.

McCormick's unique and collaborative culture is also recognized through the numerous supplier and partner awards the teams win globally from their industrial and retail customers. In McCormick's Corporate Responsibility Review, the company not only achieved its CSR goals for 2013 but has moved forward in meeting more aggressive goals for 2018.



Many of McCormick's top brands are not only regional leaders — brands with a leading share in a market — but they also share a strong heritage: Club House®, 131 years; Zatarain's®, 125 years; Billy Bee®, 56 years; Ducros®, 51 years; Vahiné®, 42 years; Aeroplane®, 97 years; Lawry's®, 76 years; Schwartz®, 173 years; and OLD BAY®, 75 years.

In 2013 McCormick Canada won the Business of the Year Award by the London, Ontario, Chamber of Commerce. *Food in Canada* magazine also honored McCormick Canada with a 2013 Canadian Food Industry Award. And in the United Kingdom in 2013, Schwartz was named a SuperBrand, the U.K.'s most famous brand ranking, which identifies and celebrates the U.K.'s strongest brands. McCormick World of Flavors, the company's only retail destination, opened in Baltimore in 2012 and has won a number of awards — from the Association for Retail Environments (A.R.E.) 2013 In-Store Communications Award for its uniquely interactive, educational, and entertaining customer experience to the ABC Travel Guides for Kids "We Love Kids"™ pick as a 2013–14 winner.

One of McCormick's latest innovations is FlavorPrint™, which has already garnered a number of prestigious awards, including two Global Cannes Lion awards: a Silver Cyber Lion for branded utility/tool and a Bronze Cyber Lion for user experience. McCormick also received a Bronze London International Award

for the digital/foods category and a Silver IAB International Mix award for branded utility.

HISTORY

From McCormick's humble beginnings in Baltimore, in a single room with just three employees, the company has grown to become a global leader in flavor and the world's largest producer of herbs, spices and seasonings, recipe mixes and extracts. Its 125-year history began in 1889 when Willoughby McCormick sold root beer extract door-to-door and penned the memorable slogan, "Make the Best — Someone Will Buy It." Devastation hit when the Great Baltimore Fire of 1904 swept through the city, burning all of the company's material assets and records. Through hard work and sheer determination, Willoughby was able to rebuild the company quickly. Within 10 months, a new five-story building was erected on the old site. When Willoughby died suddenly in 1932, his 36-year-old nephew, C. P. McCormick, was elected president and chairman. C.P. successfully led the company through the Great

GREEN FOCUS

McCormick has long been focused on protecting the earth, from which herbs and spices are harvested. One of the key ways in which the company contributes to the world is evident in a recent project that involved minimizing the supply chain's impact on the planet. For example, the company has already saved more than 300 tons of plastic annually by using sustainable packaging on four of the company's plastic bottle types. The length of these saved bottles equals that of 14,000 football fields.

While there are more examples of sustainable packaging and energy-efficiency initiatives that help reduce McCormick's environmental impact, other areas of focus that build on the company's tradition of social responsibility include, for 2018, a 50 percent increase in funding relief programs in farming regions of the world where the company sources its products and a 20 percent increase in funding to educate consumers globally on the role of flavor in healthy eating.



Depression and to great heights as a global enterprise by the time he retired in 1969. C.P.'s pioneering participative management program, the Multiple Management Board, stands as a monument to his groundbreaking vision for the company. As an active civic leader, C.P.'s impact was felt locally, nationally, and globally. His belief in giving back remains a core company value.

McCormick stock began trading on the New York Stock Exchange in 1999. Since then, the company's business and product portfolio has changed over time. Growth through geographic expansion and acquisitions is a strategy that remains today. Leading brands in the Americas include McCormick®, Lawry's®, Club House, and OLD BAY. New Orleans' favorite Zatarain's also celebrates its 125th anniversary in 2014.

In Europe, the company's major brands include Ducros in France, Schwartz in the United Kingdom, and Kamis® in Poland. Vahiné is a leading dessert aid brand in France. McCormick has been present in China for many years with the McCormick consumer brand. In Central China, Daqiao® and ChuShiLe® are the company's leading brands of bouillon. Down Under, McCormick consumer brands enhance flavor in Australia and New Zealand, while Aeroplane® Jelly is considered Australia's favorite gelatin dessert.

THE PRODUCT

In the United States, people know McCormick's brands at first sight — and taste. The McCormick Consumer Product Division has grown to become the United States' largest producer of spices, proprietary seasoning blends, herbs, and extracts. The company is a category leader under several popular brands and sub-brands, including Grill Mates® and McCormick Gourmet®, McCormick Slow Cookers Seasoning Mixes, McCormick Gourmet Recipe Mixes, and McCormick Perfect Pinch® Seasoning Blends. Beyond the McCormick brand, the company has iconic brands including OLD BAY and Zatarain's. And beyond the consumer brand area, McCormick's industrial business accounts for 40 percent of the company's revenue. In the United States, Custom Flavor Solutions represents just that: flavor solutions for customers in categories as diverse as beverages, cereals, and snacks. The other part of the industrial business, McCormick for Chefs™, provides a portfolio of innovative food-away-from-home solutions for the distinct needs of professional foodservice in the United States

with its McCormick Culinary, Lawry's®, OLD BAY, Thai Kitchen®, and Zatarain's products.

RECENT DEVELOPMENTS

In 2013 the company introduced one of its most groundbreaking innovations to date: FlavorPrint. This breakthrough interactive service provides personalized recipe and product recommendations for the foods consumers already love



— and the new favorites they are about to discover. The more consumers engage, the smarter the service becomes, resulting in personalized recommendations and an enhanced ongoing experience. This one-on-one conversation with consumers allows McCormick to develop relationships in ways that would never before have been possible. From suggesting better recipes during health and wellness season and identifying personalized grilling recipes to helping plan holiday dinners, FlavorPrint offers an added layer of custom engagement that consumers are craving. The patent-pending digital service has already won a number of prestigious awards.

Since 2000, McCormick experts have been predicting flavor trends through its Flavor Forecast®. The McCormick® Flavor Forecast® 2014: 125th Anniversary Edition highlights five top food insights and more than a dozen emerging flavors predicted to impact the way the world will eat in the coming years. This anniversary edition explores how today's unparalleled connectivity is driving faster-than-ever adoption of new trends and tastes around the globe. The five flavor trends for 2014 are

- Chilies Obsession
- Modern Masala
- Clever Compact Cooking
- Mexican World Tour
- Charmed by Brazil

Read more about these insights at www.FlavorForecast.com.

PROMOTION

Since 1889 McCormick & Company has brought consumers the flavors that they love, that they share with family and friends, that have been passed down through generations — the flavors that people remember and that shape their lives. To celebrate this 125th anniversary, McCormick is bringing fans across the world together to share their stories about flavor, and for each story shared, McCormick will donate \$1, up to \$1.25 million, to United Way to help feed those in need. While consumers share their stories, McCormick will share its best stories, too. Throughout 2014 McCormick is celebrating the hottest trends in the culinary world through its Flavor Forecast 2014. Through videos, pictures, and testimonials from flavor experts, the company is sharing captivating tips, recipes, and stories, hoping that the world shares along at www.FlavorOfTogether.com.

BRAND VALUES

One hundred and twenty-five years later, McCormick continues to bring passion to its work, and the entire company pulls together to make the difference — with a passion for flavor, a uniquely collaborative culture, and high-quality flavors and spices. McCormick founder Willoughby McCormick's motto, "Make the Best — Someone Will Buy It," is still a critical value for the company. At the foundation of McCormick's values are the company's five pillars of success:

- Passion for flavor®
- Power of people®
- Taste you trust®
- Inspiring healthy choices
- Delivering high performance

THINGS YOU DIDN'T KNOW ABOUT MCCORMICK

- McCormick and Zatarain's not only began the same year — 1889 — the two companies also sold the same product: root beer extract. Zatarain's joined the McCormick family of brands in 2003.
- Two-thirds of McCormick's consumer business sales are from brands that are number one in their category.
- McCormick products can make up 90 percent of a meal's flavor and just 10 percent of the cost.
- Aeroplane Jelly from Australia entered the Guinness World Records in 1981 by making the largest-ever gelatin. It was watermelon flavored and 35,000 liters (9,246.02 gallons).
- McCormick Brand is America's favorite vanilla extract.

