



Press Release

For Immediate Release

IFC, McCormick & Company, and Citi Establish Sustainability-Linked Financing Partnership

Washington, D.C., 6 August 2021 – IFC just announced a partnership with McCormick & Company, a global leader in flavor, and Citi, to provide suppliers of McCormick's herbs and spices with financial incentives linked to improvements in measures of social and environmental sustainability. The program has started with suppliers in Indonesia and Vietnam, and will soon be launched in other countries.

Under the initiative, suppliers can qualify for discounted rates on short-term working capital financing when they meet sustainability standards accepted by McCormick. Those standards include performance on labor conditions, health & safety practices, crop management, environmental impact, farmer resilience, and women's empowerment. The higher the supplier's performance level in meeting these standards, the more they save.

The financial partnership includes an advisory component in Vietnam, where IFC is helping McCormick build a more sustainable, traceable, certified, and quality-compliant pepper supply chain through capacity development and the empowerment of women farmers, aimed at helping to achieve environmental and social improvements for pepper suppliers and producers.

"At McCormick, we're committed to doing what's right for people, communities, and the planet we share. Through our partnership with IFC and Citi, we're enabling our suppliers to sustainably source our herbs and spices more easily, and, in turn, are working toward our own goals at the same time," said **Michael Okoroafor, Vice President for Global Sustainability and Packaging Innovation at McCormick & Company**. "Through our Purpose-led Performance approach, we're going beyond the industry standard to ensure that we're improving farmer resilience, elevating women's empowerment, and mandating ethical behavior at every level of our supply chain."

This innovative partnership between McCormick and IFC leverages Citi's global Supplier Finance offering. Citi's Supplier Finance platform is made available to McCormick's suppliers with environmental, social, and governance credentials so they may benefit from liquidity at preferential rates based on their sustainability performance.

Adoniro Cestari, Global Head of Trade Product Management and Structuring with Citi's Treasury and Trade Solutions, said "Bringing this sustainable financing solution to life is a huge milestone for us. Citi is committed to helping clients achieve their sustainability objectives, especially with respect to supply chains and environmental challenges. We are working with clients around the world to help them balance environmental and economic needs, adhere to



defined standards, and manage risks in their supply chains. Helping to support the sustainability of the supply chains and stimulating international trade flows are critical priorities for us."

Citi's Supplier Financing infrastructure has recently been enhanced to help meet clients' environmental, social, and governance requirements and is available globally. IFC previously partnered with Citi in June 2020 to create an \$800 million facility to boost trade finance amid the emergence of the COVID-19 pandemic.

"Promoting sustainable business starts with clear incentives," said **Rana Karadsheh, IFC Director of Manufacturing, Agribusiness and Services for Asia and Pacific**. "That's why we're proud to support McCormick's sustainability goals and build upon IFC's sustainability goals and work with them to enhance IFC's trade finance offering. Such initiatives help make sustainable business good business for emerging market players."

The partnership is part of IFC's Global Trade Supplier Finance (GTSF) program, a \$500 million multicurrency investment and advisory program established in 2010. GTSF provides short-term financing to small and mid-sized suppliers in emerging markets selling to large domestic buyers or exporting to international buyers, by discounting invoices once they are approved by the buyer. The financing rates can be linked to sustainability measures to minimize impacts on the environment and promote climate-resilient agriculture practices, while connecting smallholders to global markets.

"Rewarding our suppliers to incentivize sustainability performance enables us to further accelerate our journey toward achieving our Purpose-led Performance sourcing commitments," said **Donald Pratt, Chief Spice Buyer and Managing Director, McCormick Global Ingredients Limited**.

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About Citi Indonesia

Citibank, N.A., Indonesia (Citi Indonesia) is a branch of Citibank, N.A, New York, USA. Citibank, N.A., Indonesia has been in Indonesia since 1968 and is one of the country's largest foreign banks. Citibank operates 10 branches in six major cities in Indonesia - Jakarta, Bandung,



Surabaya, Semarang, Medan and Denpasar. Citibank has consumer transaction networks of around 33,000 payment points and corporate distribution networks of around 6,000 locations in 34 provinces. Citibank, N.A., Indonesia is connected to ATM Bersama networks with more than 70,000 ATM terminals throughout Indonesia.

In 2021, Citibank Indonesia received the prestigious award as **Best International Bank** in Indonesia from Finance Asia and also as **Digital Bank of the Year** during The Asset Triple A Digital Awards 2021.

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