

F0. Introduction

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F0.1

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**(F0.1) Give a general description of and introduction to your organization.**

International Flavors & Fragrances Inc. is a leading global creator of flavors and fragrances for consumer products.

F0.2

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**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1 2019	December 31 2019

F0.3

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**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

F0.4

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**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Not disclosing	Manufacturing	IFF purchases timber products in forms of office furniture, printing paper, cardboard boxes and wood pallets. We also use essential oils from wood-derived sustainable sources such as cedarwood, pine, and sandalwood. Currently we are prioritizing Palm Oil for our supply chain stakeholders.
Palm oil	Disclosing	Manufacturing	<Not Applicable>
Cattle products	Not disclosing	Manufacturing	IFF purchases animal derived raw materials. Currently this represents a low volume and we are prioritizing Palm Oil for our supply chain stakeholders.
Soy	Not disclosing	Manufacturing	IFF purchases soy sauce and soybean oils. These represent a low percentage of our portfolio and we are prioritizing Palm Oil for our supply chain stakeholders.
Other - Rubber	Not disclosing	Manufacturing	
Other - Cocoa	Not disclosing	Manufacturing	IFF purchases cocoa but this represents a low percentage of our portfolio and we are prioritizing Palm Oil for our supply chain stakeholders.
Other - Coffee	Not disclosing	Manufacturing	IFF purchases coffee but this represents a low percentage of our portfolio and we are prioritizing Palm Oil for our supply chain stakeholders.

F0.5

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**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

Yes

F0.5a

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**(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Facility	We purchased Frutarom in October 2018. Frutarom is an Israel-based company that, through its subsidiaries, develops, produces and markets flavors and fine ingredients used in manufacturing food, beverages, flavors and fragrances, pharma/nutraceuticals, cosmetics and personal care products.	Potential for forests-related risk, evaluated, but not disclosing to CDP	Consistent with best practices and applicable reporting framework guidelines, where applicable, we generally include acquisitions' data in our reporting boundary for the first full year of operation following their acquisition. Due to finalization of the acquisition of Frutarom late in 2018, as well as the size and complexity of its operations, we plan to begin reporting integrated data in the 2021 reporting year. As such, the scope of this report excludes Frutarom unless stated otherwise. Frutarom results may be included in financial and operational data in order to be consistent with our filings with the U.S. Securities and Exchange Commission. Following the acquisition of Frutarom, IFF developed a new strategic framework to achieve our ambition of being a leader in taste, scent and nutrition, while differentiating ourselves from our competitors and accelerating profitable growth. Sustainability is a key enabler of this corporate strategy. In line with IFF's purpose of redefining how we live in and care for the resources of our world, our Vision 2021 Sustainability Strategy comprises four key pillars: 1) Environmental Footprint, 2) Sustainable Innovation 3) Responsible Sourcing, and 4) People & Communities. Vision 2021 is IFF's strategic framework to achieve our ambition as a market leader and to accelerate profitable growth.

**F1. Current state**

**F1.1**

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Palm oil**

**Activity**

Using as input into manufacturing process for power generation

**Form of commodity**

- Crude palm oil (CPO)
- Refined palm oil
- Palm oil derivatives
- Palm kernel oil derivatives

**Source**

- Multiple contracted producers
- Trader/broker/commodity market
- Contracted suppliers (processors)
- Contracted suppliers (manufacturers)

**Country/Area of origin**

- Colombia
- Guatemala
- Honduras
- Indonesia
- Malaysia

**% of procurement spend**

1-5%

**Comment**

At IFF, we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Although our consumption is minimal, because the production of palm oil is linked to deforestation, biodiversity destruction and human rights abuses, we have an important role to play in ensuring that the palm oil in our supply chain – no matter how small – comes from sustainable sources. Currently palm oil (PO), palm kernel oil (PKO) based raw materials and derivatives represent approximately 1.7% of our total direct spend. These raw materials are used as components of flavors and fragrances. IFF is a member of the Roundtable on Sustainable Palm Oil (RSPO) and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. We also seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses. We have a corporate sustainable palm oil policy in place, which includes a goal to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020. By end of 2019, we have reached a target of 72% RSPO certified (including 5 certified Frutarom sites) and remain on track to meet our target by end of 2020. We are also committed to achieving RSPO Supply Chain Certification for our manufacturing facilities, enabling us to supply RSPO certified mass balance flavors and fragrances ingredients to our customers. We currently have more than 20 facilities (including 5 Frutarom sites) that meet the standards of RSPO Supply Chain Certification. In 2019, 10 sites were certified or re-certified against RSPO standards.

**F1.2**

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	1-5%	Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 1-5% of our revenue. This includes revenue for products sold as RSPO Mass Balance certified. While PO/PKO and derivatives are commonly used in the manufacture of flavors and fragrances, these represent very small percentages of our final flavors or fragrances products.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.5**

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	<Not Applicable>
Palm oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption data.**

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Volume**

6297

**Metric**

Metric tons

**Data coverage**

Full commodity production/consumption

**Please explain**

<Not Applicable>

**F1.5b**

**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Sarawak)

**% of total production/consumption volume**

14.04

**Please explain**

In 2019, IFF conducted a palm oil supply chain mapping study with our partner Transitions. The study covered 93% of 2018 palm oil volumes sourced from 9 direct suppliers. Transitions, with support and on behalf of IFF, contacted these suppliers to collect data and investigate their supply chains. The study also indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF's beyond tier 1 suppliers, as refineries &

crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Pahang)

**% of total production/consumption volume**

8.91

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Perak)

**% of total production/consumption volume**

8.72

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Johor)

**% of total production/consumption volume**

5.91

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Sabah)

**% of total production/consumption volume**

5.4

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Selangor)

**% of total production/consumption volume**

2.99

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Negeri Sembilan)

**% of total production/consumption volume**

2.54

**Please explain**

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**Forest risk commodity**

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Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Trengganu)

**% of total production/consumption volume**

1.88

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Kelantan)

**% of total production/consumption volume**

1.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Kedah)

**% of total production/consumption volume**

1

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Melaka)

**% of total production/consumption volume**

0.74

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Plau Pinang)

**% of total production/consumption volume**

0.26

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Riau)

**% of total production/consumption volume**

10.04

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

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**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Central Kalimantan)

**% of total production/consumption volume**

7.19

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (North Sumatra)

**% of total production/consumption volume**

6.71

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West Kalimantan)

**% of total production/consumption volume**

5.34

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (South Sumatra)

**% of total production/consumption volume**

3.92

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Jambi)

**% of total production/consumption volume**

3.64

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (East Kalimantan)

**% of total production/consumption volume**

3.34

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Aceh)

**% of total production/consumption volume**

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1.41

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West Sumatra)

**% of total production/consumption volume**

0.92

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Bengkulu)

**% of total production/consumption volume**

0.91

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (South Kalimantan)

**% of total production/consumption volume**

0.87

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Bangka Belitung)

**% of total production/consumption volume**

0.7

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Lampung)

**% of total production/consumption volume**

0.48

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West Sulawesi)

**% of total production/consumption volume**

0.14

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Central Sulawesi)

**% of total production/consumption volume**

0.11

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Banten)

**% of total production/consumption volume**

0.08

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West Papua)

**% of total production/consumption volume**

0.08

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (South-East Sulawesi)

**% of total production/consumption volume**

0.07

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Kepulauan Riau)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Papua)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

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Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Santander)

**% of total production/consumption volume**

0.04

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Cesar)

**% of total production/consumption volume**

0.04

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Meta)

**% of total production/consumption volume**

0.04

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Casanare)

**% of total production/consumption volume**

0.03

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Magdalena)

**% of total production/consumption volume**

0.02

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Bolívar)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Norte de Santander)

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**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Antioquia)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Vichada)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Honduras

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Colon)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Guatemala

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Alta Verapaz)

**% of total production/consumption volume**

0.01

**Please explain**

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**Forest risk commodity**

Please select

**Country/Area of origin**

Please select

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

**Please explain**

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F1.6

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

F2. Procedures

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## F2.1

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### (F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

## F2.1a

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### (F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

#### Palm oil

##### Value chain stage

Direct operations  
Supply chain

##### Coverage

Full

##### Risk assessment procedure

Assessed as part of an established enterprise risk management framework

##### Frequency of assessment

Annually

##### How far into the future are risks considered?

> 6 years

##### Tools and methods used

Internal company methods  
External consultants  
NEPCon Sourcing Hub

##### Please explain

We have implemented a responsible sourcing risk assessment for strategic and high priority materials. Our internal company methods for identifying and assessing forests-related risks align with a multidisciplinary enterprise risk management program to ensure they are evaluated consistently across the company. Forests / Deforestation risks are annually assessed across our full direct operations and supply chain to inform our annual procurement process. Our risk assessment methodology uses reliable indices such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index and Yale Environmental Performance Index (EPI) to assess risk. We also utilized external consultants to validate our internal company methods. In 2019, we re-engaged with The Rainforest Alliance to review our updated risk assessment and add NEPCon risks into our assessment. This process of third-party engagement has been effective in validating our approach for assessing forest-related risks. The organization concluded that the results of their review are "very positive and indicate that IFF is aligned with industry expectations for sustainability." We also partnered with Transitions in 2019 to conduct a supply chain mapping study. The risk methodology and tool were developed by Transitions to understand environmental and social risks such as deforestation, threats to biodiversity, land conflicts, labor issues, and community involvement. The methodology assesses these impacts and their link to palm oil production and is based on various datasets provided by stakeholders such as WWF, Daemeter, GFW, Malaysian Environmental statistics, IUCN, FAO, Global Wetlands, ASEAN Peatland Forest Project, MPOB, SiPongi and BPS (Indonesian government), and UNESCO-IHE. At the mills level, Transitions used the Global Forest Watch's Palm Risk Tool to investigate further risks in the catchment of the palm oil mills. This 2-step risk assessment approach is effective in confirming risks to a much more precise level and help prioritize landscapes (jurisdictional, ecosystems, etc.) and issues of concern for IFF. The result is an overall mapping of IFF's sourcing areas per level of risk and list of priority mills and landscapes in the value chain. The findings of the analysis are shared with our procurement team to review for vendor selection.

## F2.1b

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### (F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

#### Availability of forest risk commodities

##### Relevance & inclusion

Relevant, always included

##### Please explain

As with other materials, our purchases of forest-risk materials are subject to fluctuations in market price and availability caused by weather, growing and harvesting conditions, market conditions, governmental actions and other factors beyond our control. In addition, our ingredient suppliers, similar to us, are subject to the risks inherent in manufacturing and distribution on a global scale, including industrial accidents, environmental events, strikes and other labor disputes, disruptions in supply chain or information systems, disruption or loss of key research or manufacturing sites, product quality control, safety and environmental compliance issues among other factors. Because of these factors, availability of forest risk commodities is always considered as part of our forest-related risk assessment process. Availability of forest risk commodities, including palm oil, are evaluated throughout our full value chain through our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Commodity availability is evaluated using appropriate market data and projections incorporated into this risk management program. We also review our palm supply chain with our suppliers on an annual basis because suppliers are not willing to commit to volume and pricing for long terms. We leverage RSPO membership and our existing supply chain network to assess risk and availability of the supply. In the specific case of palm oil, availability risk is also evaluated for RSPO certified materials, since demand for certified sustainable palm oil, particularly of some specialized materials, exceeds current supply. The findings of our analysis from availability of forest risk commodities are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy. The findings also help us identify where certified sources are available and where there could be opportunities to engage with suppliers in key areas to promote sustainability and increase participation in certification efforts.

## Quality of forest risk commodities

### Relevance & inclusion

Relevant, always included

### Please explain

Public awareness of forest risk commodities continues to grow, and we see an increase demand from customers of certified sustainable products. Our Palm Oil Policy outlines seven specific commitments, including a goal to have 100% of the palm oil used in our products be certified according to the Roundtable for Sustainable Palm Oil (RSPO) by 2020. Because of growing demand and our commitments, quality of forest risk commodities is always considered as part of our forest-related risk assessment process. Quality of forest risk commodities, including palm oil, are evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Moreover, IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis. These auditing efforts are complemented by our vendor quality risk management program, which tracks vendor performance to help determine audit frequency. These findings of our analysis are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Impact of activity on the status of ecosystems and habitats

### Relevance & inclusion

Relevant, always included

### Please explain

Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. We intend to purchase palm oil products from suppliers that have made public commitments to protect human rights and avoid deforestation and development on peat lands or high-conservation-value areas. Because of these factors and our commitments, impact of activity on the status of ecosystems and habitats is always considered as part of our forest-related risk assessment process. Impact of activity on the status of ecosystems and habitats is evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Environmental impact risks for suppliers and raw materials are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. Environmental impacts are also taken into consideration when auditing suppliers through Sedex, Eco Vadis and TFS assessments, for which assessment criteria are based on International Labor Organization (ILO) Conventions, and the UN Global Compact Principles, among others. These findings of our analysis are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Regulation

### Relevance & inclusion

Relevant, always included

### Please explain

We operate on a global basis, with manufacturing and sales facilities in the United States, Europe, Africa, the Middle East, Latin America and Greater Asia. Any regulation that increases the cost of raw materials or commodities, has the potential to impact our profit margins and operations. In particular, various current regulatory efforts in forest risk commodities (including palm oil), health and safety regulations and similar regulations could impact costs for our operations or supply chain. As a result, regulations are always considered as part of our forest-related risk assessment process. Regulations are evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. To enhance our risk management practices, we established a Global Risk Committee made up of key members of management to integrate global risk activities (including cybersecurity, compliance, business and crisis management) and to ensure appropriate prioritization of resources and alignment across IFF. The Global Risk Committee meets approximately six times per year to discuss critical risks, including regulation, and then critique mitigation plans and review the gap analyses. Regulatory risks are evaluated using appropriate policy and legal data and projections incorporated into this risk management program. The findings of our supplier assessments and analysis of risks from quality of forest risk commodities are used by our legal team in addition to a separate regulatory risk assessment process led by IFF Global Regulations team for supplier vetting, internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy. IFF ensures compliance with national laws and regulations, such as access and benefit sharing (ABS) regulations. This also applies to our suppliers. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards.

## Climate change

### Relevance & inclusion

Relevant, always included

### Please explain

Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. Deforestation is a major contributor to global GHG emissions, which creates a positive linkage between our management of sustainable palm oil and climate change. Moreover, our purchases of raw materials are subject to fluctuations in market price and availability caused by weather, growing and harvesting conditions, all of which may be exacerbated by climate change. Because of these factors, climate change is always considered as part of our forest-related risk assessment process. Impact of climate change is evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Environmental and climate-related impact risks for suppliers and raw materials are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. Environmental impacts are also taken into consideration when auditing suppliers through Sedex, Eco Vadis and TFS assessments, for which assessment criteria are based on International Labor Organization (ILO) Conventions, and the UN Global Compact Principles, among others. These findings of our analysis are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Impact on water security

### Relevance & inclusion

Relevant, always included

### Please explain

In our value chain, impact on water security is important to our suppliers' value chain. Deforestation and other forest degradation activities can impact water quality and water cycling in our natural ecosystem. We include this impact on water security as a part of our forests-related risk assessment by leveraging risk indices such as the Yale Environmental Performance Index (EPI) in our risk assessment model. EPI specifies two dimensions of environmental performance by country: 1) environmental health and 2) ecosystem vitality. Water security risks in the forms of drinking water, water resources, water & sanitation are considered in the model. These findings of our analysis are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Tariffs or price increases

### Relevance & inclusion

Relevant, always included

### Please explain

There is a risk that tariffs, or price increases of palm oil/palm kernel oil materials, could increase our costs and negatively impact our revenue, as palm oil/palm kernel oil is a key ingredient in certain products. As such, these risks are always considered as part of our forest-related risk assessment process. Risks of tariffs or price increases are evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. We have made progress in categorizing renewable ingredients, including palm derived ingredients, according to their environmental and social risks and performance, which helps us to identify and prioritize risks so they can be appropriately mitigated. Price and tariff risks are evaluated using appropriate market data and projections incorporated into this risk management program. This tool also uses reliable external indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index and Yale Environmental Performance Index (EPI) to assess risk. The findings of our analysis of risks from tariffs or price increases are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Loss of markets

### Relevance & inclusion

Relevant, always included

### Please explain

Consumers and customers are increasingly interested in product traceability and do not want products associated with deforestation. IFF sells its products primarily to consumer facing companies and our customers are increasingly challenged to find sustainable, reliable sources of ingredients to make products consumers have come to expect or demand. Potential loss of markets can come from reduced demand for products and loss of customers if IFF's reputation is harmed by not meeting customer expectations related to forest risk commodities. As a result, potential loss of markets is always considered as part of our forest-related risk assessment process. Loss of markets is evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Environmental and social impact risks for suppliers and raw materials that could result in loss of markets are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. More broadly, we established a Global Risk Committee made up of key members of management to integrate global risk activities (including cybersecurity, compliance, business and crisis management) and to ensure appropriate prioritization of resources and alignment across IFF. The Global Risk Committee meets approximately six times per year to discuss critical risks, including loss of markets, and then critique mitigation plans and review the gap analyses. The findings of our analysis of risks from loss of markets are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Brand damage related to forest risk commodities

### Relevance & inclusion

Relevant, always included

### Please explain

Consumers and customers are increasingly interested in product traceability and do not want products associated with deforestation. IFF sells its products primarily to consumer facing companies and our customers are increasingly challenged to find sustainable, reliable sources of ingredients to make products consumers have come to expect or demand. Potential loss in business can come from reduced demand for products and loss of customers if IFF's reputation is harmed by not meeting customer expectations related to forest risk commodities. As a result, brand damage and reputational risks are always considered as part of our forest-related risk assessment process. Risk of brand damage related to forest risk commodities is evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. We have made progress in categorizing renewable ingredients, including palm derived ingredients, according to their environmental and social risks and performance, which helps us to identify and prioritize risks so they can be appropriately mitigated. Environmental and social impact risks for suppliers and raw materials are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. Environmental impacts are also taken into consideration when auditing suppliers through Sedex, Eco Vadis and TFS assessments, for which assessment criteria are based on International Labor Organization (ILO) Conventions, and the UN Global Compact Principles, among others. The findings of our analysis of risks from brand damage related to forest risk commodities are used by our procurement team for internal planning, including advanced budgeting, decisions on supplier markets, and overall procurement strategy.

## Corruption

### Relevance & inclusion

Relevant, always included

### Please explain

The global nature of our business, the significance of our international revenue and our focus on emerging markets create various domestic and local regulatory challenges and subject us to risks associated with our international operations, including corruption. Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to corruption, local exploitation, and human rights abuses. IFF's palm oil policy includes a commitment to the protection of human rights including the respect for the rights of indigenous and local communities to give or withhold their free, prior and informed consent to operations on lands to which they hold legal, communal, or customary rights. Moreover, IFF's Code of Business Conduct and Ethics, as well as our Anti-Bribery, Political Contributions, Conflicts of Interest and International Business Transaction Policies, apply to all IFF employees worldwide and mandates compliance with all anti-bribery and corruption laws and with our global standards. As a result, corruption is always considered as part of our forest-related risk assessment process. Corruption is evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Our responsible sourcing risk assessment methodology, which includes raw materials, uses reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN), to assess risk. The Worldwide Governance Indicators (WGI) in particular measure six key dimensions of governance: Voice & Accountability, Political Stability and Lack of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. The findings of our analysis of risks from corruption are used for vendor selection and evaluation by our procurement team. Our use of vendor risk scorecards allows us to focus our resources where the needs are greatest.

## Social impacts

### Relevance & inclusion

Relevant, always included

### Please explain

Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to social impacts, local exploitation, and human rights abuses. IFF's palm oil policy includes a commitment to the protection of human rights including the respect for the rights of indigenous and local communities to give or withhold their free, prior and informed consent to operations on lands to which they hold legal, communal, or customary rights. As a result, social impacts are always considered as part of our forest-related risk assessment process. Social impacts are evaluated throughout our full value chain via our multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Our responsible sourcing risk assessment methodology, which includes raw materials, uses reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN), to assess risk. Social impact is also taken into consideration when auditing suppliers through Sedex, EcoVadis and TFS assessment. Assessment criteria for each of these platforms are based on International Labor Organization (ILO) Conventions, the UN Global Compact Principles, the Global Reporting Initiative (GRI) standards and the ISO 26000 standard, the CERES Principles among others. The findings of our analysis of risks from social impacts are used for vendor selection and evaluation by our procurement team. Our use of vendor risk scorecards allows us to focus our resources where the needs are greatest. Palm oil industry-related issues such as land availability and regulatory compliance are important criteria to assess and are included in our risk assessment and mitigation process. For example, our Responsible Sourcing Program requires Together for Sustainability (TFS) or SMETA audits for key strategic suppliers. For suppliers subject to SMETA audits, the scope includes land rights considerations. This is a current issue throughout the organization.

### Other, please specify

### Relevance & inclusion

Not considered

### Please explain

## F2.1c

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### (F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

#### Customers

### Relevance & inclusion

Relevant, always included

### Please explain

Our customers' satisfaction is central to our business. Our customers are increasingly interested in ensuring their products contain sustainable palm oil/palm kernel oil or derivatives. We engage our customers through their requests of sustainably sourced palm oil/palm kernel oil or "palm free" flavors and fragrances. IFF has obtained RSPO Supply Chain Certification at select manufacturing facilities in Europe, North America and Asia, which enables us to deliver RSPO Mass Balance (MB) flavors and fragrances to our customers, meeting their needs and expectations. If we are not able to deliver these solutions, there is a risk that this impact would affect customer satisfaction. For this reason, customer satisfaction is relevant and included in our forest-related risk assessments. IFF engages its customers through the CDP Supply Chain program. Customers request our participation in this program and include it in their scorecards that evaluate our sustainability strategy and performance.

#### Employees

### Relevance & inclusion

Relevant, always included

### Please explain

We recognize that environmental stewardship and corporate social responsibility are important to our employees, and poor sustainability performance could negatively impact our performance and talent acquisition prospects. For this reason, employees are relevant and always included in our forest-related risk assessments. We engage our employees on palm oil related issues through our intranet, in the form of "Top Stories" and through a dedicated Sustainable Palm Oil microsite and have addressed this during Q&A sessions at employee town halls. Questions posted through these mediums are answered directly. In addition to this and as part of our RSPO Mass Balance (MB) chain of custody site certification, relevant site employees and commercial teams receive Sustainable Palm Oil and RSPO Mass Balance trainings, at least once per year.

#### Investors

### Relevance & inclusion

Relevant, always included

### Please explain

As a publicly traded company, investors are an important stakeholder for IFF. We recognize the importance of environmental stewardship and corporate social responsibility to our investors. Damage to our reputation among investors could negatively impact our company's value and brand. For this reason, investors are included in our forest-related risk assessments. To engage with investors on forest-related issues, IFF participates in the CDP Forests questionnaire. CDP represents more than \$100 trillion in assets and helps engage companies to disclose deforestation risks from four key agricultural commodities and forest stewardship strategies to investors and other stakeholders. This information is also provided to our CEO and CFO annually.

## Local communities

### Relevance & inclusion

Relevant, always included

### Please explain

Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. These negative consequences are felt most directly and severely by the local communities around which palm oil is harvested and produced. If palm oil derivatives purchased by IFF contribute to these negative consequences for local communities, then there is a risk of reputational harm to the company in both the local communities and more broadly. Additional issues affecting local communities could create supply disruptions, another risk to our business. As a result, local communities are relevant and always included in our forests-related risk assessments. Social and environmental impact risks for suppliers and raw materials, including those related to local communities, are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. Social and environmental impacts are also taken into consideration when auditing suppliers through Sedex, EcoVadis and TFS assessments, for which assessment criteria are based on International Labor Organization (ILO) Conventions, and the UN Global Compact Principles, among others. By utilizing recognized indices and auditing our suppliers through Sedex, EcoVadis and TFS, we engage with local communities indirectly on an annual basis as part of our risk assessment procedure. This engagement occurs via the facilitation provided by these external organizations.

## NGOs

### Relevance & inclusion

Relevant, always included

### Please explain

NGOs are an important stakeholder for IFF. We recognize the importance of environmental and social stewardship as part of our company's brand, and we recognize the risk that damage to our reputation among NGOs could negatively impact our brand. For this reason, NGOs are relevant and always included in our forest-related risk assessments. Our raw material risk assessment methodology leverages the work of several NGOs such as the United Nations Development Programme, the Natural Resource Governance Institute (NRGI), the Brookings Institution and the World Bank Development Research Group. We engaged The Rainforest Alliance – an international nongovernmental organization working to build strong forests, healthy agricultural landscapes and thriving communities – to review and audit the methodology we developed to conduct the categorization. The organization concluded that the results of their review are “very positive and indicate that IFF is aligned with industry expectations for sustainability.” In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT). The UEBT is an internationally recognized non-profit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. As part of our journey to ensure that our products are made with ingredients sourced with respect for people and biodiversity, we successfully passed the UEBT membership assessment.

## Other forest risk commodity users/producers at a local level

### Relevance & inclusion

Relevant, always included

### Please explain

Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. IFF is committed to protecting the local environment and communities where we operate and where we source our raw materials. As a purchaser of palm oil derivatives, we recognize the importance of maintaining local support and goodwill, particularly from palm oil producers and other users at the local level. If our reputation for forests stewardship and sustainability were damaged in local communities, there is a risk it could harm our brand, reputation, and ability to source raw materials from those communities, potentially impacting operations. For this reason, other palm oil users/producers at a local level are relevant and always included in our forest-related risk assessments. We engage palm oil producers and other users at the local level through our Palm Oil Policy and encouragement of RSPO membership.

## Regulators

### Relevance & inclusion

Relevant, always included

### Please explain

IFF ensures compliance with national laws and regulations, such as access and benefit sharing (ABS) regulations. This also applies to our suppliers. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards. There is a risk that non-compliance with local regulations could damage our brand and reputation. Additionally, there is a risk that changes to regulations, requirements, or standards could affect our ability to source these materials and thus our ability to meet our customers' needs. For these reasons, regulators are relevant and always included in our forest-related risk assessments. In our engagement with regulators, we leverage ISO 14001 to help foster a working relationship with regulators to ensure we are updated with changing legislation. ISO 14001 is recertified every 3 years.

## Suppliers

### Relevance & inclusion

Relevant, always included

### Please explain

Although our consumption of palm oil is minimal, because the production of palm oil is linked to deforestation, biodiversity destruction and human rights abuses, we have an important role to play in ensuring that the palm oil in our supply chain – no matter how small – comes from sustainable sources. Upholding the commitments in our palm oil policy, including our commitment to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020, depends on our engagement with our suppliers. For these reasons, suppliers are relevant and always included in our forest-related risk assessments. IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex, two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. In 2019, approximately 75% of legacy IFF's direct global spend was with suppliers assessed through EcoVadis or Sedex. In 2018, IFF began assessing supplier risk by engaging suppliers through the CDP Supply Chain program. We continued to do so in 2019 and we saw an average increase of 2% in supplier response rate. We will continue to monitor supply and to work closely with our suppliers to achieve our commitments, including periodic field visits to their plantations.

## Other stakeholders, please specify

### Relevance & inclusion

Not considered

### Please explain

### F3. Risks and opportunities

#### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

#### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

We have a multidisciplinary company-wide enterprise risk management (ERM) program that annually assesses risks, including sustainability issues and climate change, on our business and the business of our customers. The Global Risk Committee, made up of key members of management, oversees this program and integrates global risk activities to ensure appropriate prioritization of resources and alignment across IFF. An ERM Team Lead at each business unit complements this program by serving as a single point of contact for all aspects of the risk process related to the business function.

We define substantive financial or strategic impact when identifying or assessing forest-related risks in both our direct operations and supply chain as any change that would significantly affect our business, operations, revenue or expenditure. Substantive or material risks include disruption in our manufacturing facilities and in our supply chain, our inability to obtain ingredients and raw materials from third parties, natural disasters and public health crisis, volatility and increases in prices of raw materials, and energy and transportation. These risks are enhanced since we often rely on a limited number of suppliers for particular ingredients. If our suppliers are unable to supply us with sufficient quantities of ingredients and raw materials to meet our needs, we would need to seek alternative sources of such materials or pursue our own production of such ingredients or direct acquisition of such raw materials. However, for certain ingredients and raw materials we rely on a limited number of suppliers where there are not readily available alternatives. Some of these factors are outside of our control and any one of them if not successfully managed could result in increased costs and diversion of management's time and energy, as well as reputational harm and decreases in the amount of expected revenue which could materially impact our business, financial condition and results of operations.

The metric that we use to identify forest-related impact is based on our responsible sourcing risk assessment methodology which categorizes the ingredients and suppliers that we source from according to their environmental and social risks and performance, which helps us to identify and prioritize risks so they can be appropriately mitigated. For example, social and environmental impact risks for suppliers and raw materials, including those related to local communities, are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators.

Another example that is a physical risk is the change in precipitation patterns. This could result in price volatility and supply shortages in natural products that represent approximately half of our raw material purchases. However, we mitigate this risk by working with our buyers to develop various sourcing strategies, including maintaining strategic stock levels for critical items, selecting multiple suppliers and increasing diverse supplier pools, inventory management systems, various geographic suppliers, and long-term agreements. IFF also evaluates the use of green chemistry and biotechnology as an alternative to natural raw materials.

#### F3.1b



**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Forest risk commodity**

Palm oil

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

Other parts of the value chain

**Primary risk driver**

Availability of certified sustainable material

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Public awareness of sustainable palm sourcing continues to grow, and we see an increase demand from customers of certified sustainable products. If we are not able to secure sustainable palm supply in our products, this will impact our production capacity and ability to meet customer needs. At IFF, we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Supply is secured on a year to year basis because suppliers are not willing to commit to volume and pricing for long terms. As such, we review our palm supply chain annually as different circumstances may happen e.g. new certified sources become available, supply chain partners exiting / enter their RSPO certifications, natural disasters. In 2015, IFF set a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. This strategy has been effective at securing certified sustainable material, as currently 72% of our production/ consumption volume for palm oil is certified.

**Timeframe**

Current - up to 1 year

**Magnitude of potential impact**

Low

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

50000

**Potential financial impact figure - maximum (currency)**

250000

**Explanation of financial**

We estimate that the financial impact is low because at IFF we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, and we are one of many players in the palm supply chain. Therefore this would be more of a strategic impact as we manage our supply chain. Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 1-5% of our revenue. The range of financial impact is calculated by taking 0.1% of 1-5% of our revenue coming from palm oil.

**Primary response to risk**

Promotion of certification, including financial incentives

**Description of response**

In 2015, IFF set a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. This strategy has been effective at securing certified sustainable material, as currently 72 % of our consumption volume for palm oil is certified and we are on-track with achieving our goal by 2020. We consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. This response is done on an annual basis because supply is secured yearly. Furthermore, in 2019 we consolidated 5 Frutarom legacy sites that have already been RSPO certified under IFF RSPO group membership to include into our RSPO ACOP reporting (2019 certified volumes include these 5 Frutarom sites). However, the remaining Frutarom legacy sites, not RSPO certified, is currently being assessed for future plans for integration into forest-related strategies and goals.

**Cost of response**

0

**Explanation of cost of response**

Suppliers take on the cost to ensure certification of their palm sources. There is no additional monetary cost (neither one-off nor recurring) of the response to IFF.

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F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.2a**

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**

Palm oil

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased demand for certified materials

**Company-specific description & strategy to realize opportunity**

Public awareness of sustainable palm sourcing continues to grow, and we see an increase demand from customers of certified sustainable products. At IFF, we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Palm oil is used minimally in our products, but we recognize we have an important role to play in ensuring that the palm oil in our supply chain comes from responsible sources and drive demand for sustainable materials. Currently, Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 1-5% of our revenue and approximately 1.7% of our total direct spend. This includes revenue for products sold as RSPO Mass Balance certified. To realize this opportunity, IFF has a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. Currently, 72% of our production/ consumption volume for palm oil is certified, including the integration of 5 RSPO certified Frutarom sites. We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification. In 2019, 10 sites were certified or re-certified against RSPO standards. We consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. For example, in 2019 we reviewed our supplier base to assess the status and considered the feasibility of RSPO certification from the suppliers as part of our strategic planning. We also conducted a supply chain mapping study with Transitions to further assess transparency and environmental risks in our palm oil supply chain. We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. We also worked closely with RSPO to understand other ways IFF can contribute to smallholder communities and will consider purchasing credits in the future. By driving demand for sustainable materials, IFF hopes to achieve our goal of 100% RSPO certified PO/PKO.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Low

**Likelihood**

About as likely as not

**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)**

50000

**Potential financial impact figure – maximum (currency)**

250000

**Explanation of financial impact figure**

We estimate that the financial impact is low because at IFF we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, and we are one of many players in the palm supply chain. Therefore this would be more of a strategic impact as we manage our supply chain. Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 1-5% of our revenue. The range of financial impact is calculated by taking 0.1% of 1-5% of our revenue coming from palm oil.

**F4. Governance**

**F4.1**

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

**F4.1a**

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Board Chair	Our Chairman of the Board and CEO chairs the Sustainability Business Council (SBC), which consists of cross-functional committees (Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design) which are in turn led by the appropriate EC member and supported by a member of the Global Sustainability team. Each of these committees drives sustainability throughout that function, raises potential issues and provides regular updates to the SBC on progress. This governance model relies on functional integration of our sustainability strategy, which includes forest-related issues (e.g. traceability and projects for palm oil), across IFF, including goal development, implementation and progress toward goals. Additionally, our Chief Scientific and Sustainability Officer and VP of Global Sustainability report annually to the Board on progress against sustainability related goals and targets and seek guidance on strategy.
Chief Operating Officer (COO)	The Executive Vice President (EVP) of Operations is the highest level Executive responsible for oversight of operations globally (note IFF does not have the title of COO). This role reports directly to the Chairman and CEO and along with the CSO and VP of Sustainability provides an annual briefing to the board on progress against sustainability goals and targets and to seek guidance on strategy. This position is responsible for global procurement and manages forest-related issues by overseeing the Responsible Sourcing program, which includes sourcing palm oil responsibly. For example, in 2019, to further advance our ethical sourcing practices, the COO supported Responsible Sourcing program by approving to join Union for Ethical BioTrade (UEBT) membership. LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT) in 2019.
Chief Sustainability Officer (CSO)	The CSO is a key leader of the Sustainable Business Council, which reviews targets and metrics quarterly. This role provides an annual briefing to the board on progress against sustainability goals and targets and to seek guidance on strategy, including forest-related issues. This position is also charged with driving low-carbon and circular-economy solutions into the R&D process.

**F4.1b**

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	Our Chairman of the Board and CEO chairs the Sustainability Business Council (SBC), and cross-functional committees – Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design – are each led by the appropriate EC member and supported by a member of the Global Sustainability team. Each of these committees drives sustainability throughout that function, raises potential issues and provides regular updates to the SBC on progress. Our Chairman of the Board and CEO's position leading the SBC, combined with our company-wide functional integration of sustainability strategy, allows the board to continually monitor implementation and performance of objectives. These governance mechanisms contribute to the board's oversight of forest-related issues by providing a direct conduit to the SBC and committees that implement our policies, such as the Palm Oil policy, and approval of action on key projects such as palm traceability (conducted in 2019). For example, the SBC provided guidance on our responsible sourcing strategy and goals in 2019 to discuss integration of Frutarom sites under RSPO group membership. These issues are scheduled for some but not all board meetings. This governance model relies on functional integration of our sustainability strategy, which includes forest-related issues, across IFF, including goal development, implementation and progress toward goals.

**F4.2**

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Operating Officer (COO)	Both assessing and managing forests-related risks and opportunities	Annually	The Executive Vice President (EVP) of Operations is the highest level Executive responsible for oversight of operations globally (note IFF does not have the title of COO). This role reports directly to the Chairman and CEO and along with the CSO and VP of Sustainability provides an annual briefing to the board on progress against sustainability goals and targets and to seek guidance on strategy. This position is responsible for global procurement and manages these issues by overseeing the Responsible Sourcing program, which includes sourcing palm oil responsibly.
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Annually	The CSO is a key leader of the Sustainable Business Council, which reviews targets and metrics quarterly. This role provides an annual briefing to the board on progress against sustainability goals and targets and to seek guidance on strategy. This position is also charged with driving low-carbon and circular-economy solutions into the R&D process.
Risk committee	Assessing forests-related risks and opportunities	Half-yearly	The Global Risk Committee is a management risk committee made up of key members of the Company's management to integrate global risk activities and to ensure appropriate prioritization of resources and alignment across the Company. The Global Risk Committee is co-chaired by our CFO and EVP General Counsel and Corporate Secretary.
Corporate responsibility committee	Both assessing and managing forests-related risks and opportunities	Half-yearly	In early 2017, we formalized our Responsible Sourcing Committee to oversee all of our purchasing and supplier engagement efforts. This committee is part of our Sustainability Business Council and is led by our VP of Procurement. It comprises senior management from our Procurement, Sustainability, Regulatory and Quality functions, among others, as well as leadership from IFF-LMR Naturals, our natural ingredients division. In 2019, senior management from Commercial teams also joined the Committee to integrate forest-related risks and opportunities into commercial decision-making.

**F4.3**

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

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

**F4.3a**

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Operating Officer (COO)	Achievement of commitments and targets Supply chain engagement	The Executive Vice President (EVP) of Operations is the highest level Executive responsible for oversight of operations globally (note IFF does not have the title of COO). This role reports directly to the Chairman and CEO. The EVP of Operations, who is ultimately responsible for our responsible sourcing initiatives, has performance-based objectives that are aligned with organizational sourcing goals and targets, including a goal to have 100% of the palm oil used in our products be certified by the Roundtable on Sustainable Palm Oil by 2020. The threshold of success for each indicator is based on whether there has been improvement from the previous year and progress towards target. This is measured via our engagement with suppliers certified through RSPO as well as our responsible sourcing program. Our organizational performance and the EVP of Operations' performance-based objectives related to these goals are linked to monetary incentives via an annual assessment during performance reviews and salary determination. The level of incentive varies based on performance during the previous year.
Non-monetary reward	Other, please specify (All employees)	Achievement of commitments and targets	Employees are internally recognized locally and corporately for responsible sourcing initiatives on the company intranet's Top Story, which recognizes employees for exemplary performance. Selection of initiatives to Top Story is measured and determined by a small committee that reviews nominated submissions from employees. The committee performs a review based on indicators including performance and progress against publicly committed goals as well as importance to IFF. The threshold of success for recognition on Top Story is selection of the story by the review committee.

**F4.4**

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)  
 0000051253-20-000007.pdf

**F4.5**

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

**F4.5a**

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Following the acquisition of Frutarom, we developed a new sustainability strategy called Vision 2021. It has 4 pillars: 1) Embracing People and Communities, 2) Reducing our Environmental Footprint, 3) Strengthening Responsible Sourcing, and 4) Driving Sustainable Innovations. Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. Our Palm Oil Policy outlines seven specific commitments, including a goal to have 100% of the palm oil used in our products be certified according to the Roundtable for Sustainable Palm Oil (RSPO) by 2020. The policy was first launched in 2013 with a revised version published in 2015. IFF undergoes an internal review of this policy annually and publishes a new version when changes are made. The commitments and policy elements selected in the "Content" column, including commitments beyond regulatory compliance and to protect rights and livelihoods of local communities, are included in the policy because they support our broader responsible sourcing efforts. Our Palm Oil Policy also commits to purchasing palm oil products from suppliers who also have public commitments to no deforestation and no development in high carbon stock areas, as well as peat lands, which further strengthens our overall commitment to eliminate such practices throughout our value chain. The policy informs our decision making around responsible sourcing and palm oil certifications. Sourcing responsibly also has the direct business benefit of reducing risk in the supply chain. The commitments contained in our palm oil policy apply to 100% of the palm oil, palm kernel oil and their derivatives that IFF sources directly, thus covering all biomes and ecoregions. Collaboration from all stakeholders in the global palm oil supply chain – including industry peers, suppliers, governments, communities and nongovernmental organizations – is critical to ensuring a sustainable supply of palm oil. We currently have more than 20 facilities that are RSPO certified. In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT).</p>

**F4.5b**

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Following the acquisition of Frutarom, we developed a new sustainability strategy called Vision 2021, It has 4 pillars: 1) Embracing People and Communities, 2) Reducing our Environmental Footprint, 3) Strengthening Responsible Sourcing, and 4) Driving Sustainable Innovations. Palm oil is an ingredient of concern due to complex social and environmental issues in the palm oil industry. In particular, its production is linked to deforestation, biodiversity destruction and human rights abuses. Our Palm Oil Policy outlines seven specific commitments, including a goal to have 100% of the palm oil used in our products be certified according to the Roundtable for Sustainable Palm Oil (RSPO) by 2020. The policy was first launched in 2013 with a revised version published in 2015. IFF undergoes an internal review of this policy annually and publishes a new version when changes are made. The commitments and policy elements selected in the "Content" column, including commitments beyond regulatory compliance and to protect rights and livelihoods of local communities, are included in the policy because they support our broader responsible sourcing efforts. Our Palm Oil Policy also commits to purchasing palm oil products from suppliers who also have public commitments to no deforestation and no development in high carbon stock areas, as well as peat lands, which further strengthens our overall commitment to eliminate such practices throughout our value chain. The policy informs our decision making around responsible sourcing and palm oil certifications. Sourcing responsibly also has the direct business benefit of reducing risk in the supply chain. The commitments contained in our palm oil policy apply to 100% of the palm oil, palm kernel oil and their derivatives that IFF sources directly, thus covering all biomes and ecoregions. Collaboration from all stakeholders in the global palm oil supply chain – including industry peers, suppliers, governments, communities and nongovernmental organizations – is critical to ensuring a sustainable supply of palm oil. We currently have more than 20 facilities that are RSPO certified. In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT).</p>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

#### F4.6

##### (F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

#### F4.6a

##### (F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (RSPO, a global initiative)

#### F4.6b

##### (F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

###### Forest risk commodity

Palm oil

###### Criteria

No conversion of natural ecosystems  
 Zero gross deforestation/ no deforestation  
 No new development on peat regardless of depth  
 Avoidance of negative impacts on threatened and protected species and habitats  
 No conversion of High Conservation Value areas  
 No conversion of High Carbon Stock forests  
 Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities  
 Adoption of the UN International Labour Organization principles  
 No sourcing of illegally produced and/or traded forest risk commodities  
 No sourcing of forest risk commodities from unknown/controversial sources  
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

###### Operational coverage

Direct operations and supply chain

###### % of total production/ consumption covered by commitment

100%

###### Cutoff date

2013

###### Commitment target date

2020

###### Please explain

In 2013 we developed and published our position on palm oil sourcing, and we published a revised palm oil policy in 2015. We intend to purchase palm oil products from suppliers that have made public commitments to protect human rights and avoid deforestation and development on peat lands or high-conservation- value areas. We achieve these commitments by procuring palm oil derivatives that meet the standards of recognized certifications (RSPO) and vetting against IFF Vendor Code of Conduct. We currently have more than 20 facilities that are RSPO certified. The RSPO standard includes environmental criteria to ensure no deforestation, no conversion of natural ecosystems or high conservation value areas, and social criteria to ensure fair payment and safe working conditions for workers and consultation with local communities over the use of their land, including the adoption of the UN International Labour Organization principles and securing FPIC. Additionally, we made progress in 2019 by securing new contracts on certified palm, increasing our certified volume to 72% (compared to 58% in 2018) and we are on track to achieving our 2020 target. Also in 2019, IFF conducted a supply chain mapping study with Transitions. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The finding of the analysis is shared with our procurement team to review for vendor selection. In addition, collaboration from all stakeholders in the global palm oil supply chain – including industry peers, suppliers, governments, communities and nongovernmental organizations – is critical to ensuring a sustainable supply of palm oil. As a founding members of the North American Sustainable Palm Oil Network (NASPON), IFF supports the Network's commitment to increasing the use of certified sustainable palm oil and certified sustainable palm kernel oil in North America, with the goal of reaching 100% CSPO in the market.

## F5. Business strategy

### F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	Following the acquisition of Frutarom, we developed a new sustainability strategy called Vision 2021, It has 4 pillars: 1) Embracing People and Communities, 2) Reducing our Environmental Footprint, 3) Strengthening Responsible Sourcing, and 4) Driving Sustainable Innovations. Forest-related issues are integrated into the long-term business objectives laid out in this strategy via our commitment to responsible sourcing and embracing people and communities. We developed a clear strategy to achieve this sustainable future and responsible sourcing is a major part of it. Our responsible sourcing strategy is driven by long-term targets. For example, we have initiatives to support reforestation with several of our ingredients, including a goal to have 100 percent of the palm oil used in our products to be Roundtable on Sustainable Palm Oil (RSPO)-certified by 2020. We selected 11-15 year horizon based on this strategy and subsequent goals. We plan to refresh our RSPO commitments and targets in 2021 to formally include our recent acquisitions to 2025 and beyond. In 2019, Responsible Sourcing Committee meetings covered a range of topics and decisions, including progress against targets and goals, worldwide community and biodiversity programs and strategic planning for 2020 and beyond. An example of Embracing People and Communities and how we integrate forest-related issues into our long-term business objectives is our work with Vetiver farmers in Haiti. For years, we have worked closely with vetiver farmers in Haiti to share our techniques and know-how to help improve yields and quality and to increase income for their families. We procure high-quality vetiver oil from a distillery in Haiti, which, in turn, sources the raw material from smallholder farmers on the island. To further improve the livelihoods of Haitian smallholder farmers, we partnered with Heifer International and a key customer to support a program called Vetiver Together, launched in mid-2016 as a two-year pilot program. This partnership aimed to improve food security, increase yields and diversify income for vetiver farmers and their families, while also empowering women and supporting reforestation efforts. In 2019, we continue to partner with Heifer in the development of a scaled-up program for Haiti Vetiver to continue the success and broaden the impact of community beneficiaries.
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Following the acquisition of Frutarom, we developed a new sustainability strategy called Vision 2021, It has 4 pillars: 1) Embracing People and Communities, 2) Reducing our Environmental Footprint, 3) Strengthening Responsible Sourcing, and 4) Driving Sustainable Innovations. Forest-related issues are integrated into the strategy for long-term objectives via our commitment to responsible sourcing and embracing people and communities. We developed a clear strategy to achieve this sustainable future and responsible sourcing is a major part of it. Our responsible sourcing strategy is driven by long-term targets. For example, we have initiatives to support reforestation with several of our ingredients, including a goal to have 100 percent of the palm oil used in our products to be Roundtable on Sustainable Palm Oil (RSPO)-certified by 2020. We selected 11-15 year horizon based on this strategy and subsequent goals. We plan to refresh our RSPO commitments and targets in 2020 to formally include our recent acquisitions to 2025 and beyond. In 2019, Responsible Sourcing Committee meetings covered a range of topics and decisions, including progress against targets and goals, worldwide community and biodiversity programs and strategic planning for 2020 and beyond. An example of Embracing People and Communities and how we integrate forest-related issues into our strategy for long-term objectives is our work with Vetiver farmers in Haiti. For years, we have worked closely with vetiver farmers in Haiti to share our techniques and know-how to help improve yields and quality and to increase income for their families. We procure high-quality vetiver oil from a distillery in Haiti, which, in turn, sources the raw material from smallholder farmers on the island. To further improve the livelihoods of Haitian smallholder farmers, we partnered with Heifer International and a key customer to support a program called Vetiver Together, launched in mid-2016 as a two-year pilot program. This partnership aimed to improve food security, increase yields and diversify income for vetiver farmers and their families, while also empowering women and supporting reforestation effort. In 2019, we continue to partner with Heifer in the development of a scaled-up program for Haiti Vetiver to continue the success and broaden the impact of community beneficiaries.
Financial planning	Yes, forests-related issues are integrated	11-15	Following the acquisition of Frutarom, we developed a new sustainability strategy called Vision 2021, It has 4 pillars: 1) Embracing People and Communities, 2) Reducing our Environmental Footprint, 3) Strengthening Responsible Sourcing, and 4) Driving Sustainable Innovations. Forest-related issues are integrated into the financial planning via our commitment to responsible sourcing and embracing people and communities. We developed a clear strategy to achieve this sustainable future and responsible sourcing is a major part of it. Our responsible sourcing strategy is driven by long-term targets. For example, we have initiatives to support reforestation with several of our ingredients, including a goal to have 100 percent of the palm oil used in our products to be Roundtable on Sustainable Palm Oil (RSPO)-certified by 2020. We selected 11-15 year horizon based on this strategy and subsequent goals. We plan to refresh our RSPO commitments and targets in 2020 to formally include our recent acquisitions to 2025 and beyond. In 2019, the Responsible Sourcing Committee reviewed the budget for community and biodiversity projects for 2020 and beyond. An example of Embracing People and Communities and how we integrate forest-related issues into our financial planning is our work with Vetiver farmers in Haiti. We have dedicated a budget within Responsible Sourcing Committee Fund to support the community and for years, we have worked closely with vetiver farmers in Haiti to share our techniques and know-how to help improve yields and quality and to increase income for their families. We procure high-quality vetiver oil from a distillery in Haiti, which, in turn, sources the raw material from smallholder farmers on the island. To further improve the livelihoods of Haitian smallholder farmers, we partnered with Heifer International and a key customer to support a program called Vetiver Together, launched in mid-2016 as a two-year pilot program. This partnership aimed to improve food security, increase yields and diversify income for vetiver farmers and their families, while also empowering women and supporting reforestation efforts. In 2019, we continue to partner with Heifer in the development of a scaled-up program for Haiti Vetiver to continue the success and broaden the impact of community beneficiaries.

## F6. Implementation

### F6.1

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

#### F6.1a

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Type of target**

Engagement with direct suppliers



**Description of target**

Communicate palm oil policy to all palm suppliers that IFF purchases palm oil products from to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

<Not Applicable>

**Start year**

2013

**Target year**

2020

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

100

**Please explain**

In 2013 we developed and published our position on palm oil sourcing, and we published a revised palm oil policy in 2015, setting a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. This is our main strategy of engagement. We consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. For example, in 2019 we reviewed our supplier base to assess status and consider the feasibility of RSPO certification from the suppliers as part of our strategic planning. By driving demand for sustainable materials, IFF hopes to achieve our goal of 100% RSPO certified PO/PKO. As a result of our supplier engagement (all of approximately 145 palm direct suppliers in 2019 were engaged), we made progress last year by securing new contracts on certified palm, increasing our certified volume to 72% (compared to 58% in 2018) with more forecasted in the future. Also in 2019, IFF conducted a supply chain mapping study with Transitions. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The study indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF's beyond tier 1 (indirect suppliers), as refineries & crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.

**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Type of target**

Traceability

**Description of target**

90% of palm oil (by volume) is traceable beyond IFF's Tier 1 supply chain, with visibility of third-party verification (RSPO certification) of commitment towards no deforestation

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

Mill

**Third-party certification scheme**

<Not Applicable>

**Start year**

2018

**Target year**

2019

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

90

**% of target achieved**

100

**Please explain**

In 2013 we developed and published our position on palm oil sourcing, and we published a revised palm oil policy in 2015, setting a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. . To support our ongoing efforts dedicated to sustainable palm oil, in 2018, we defined a target to conduct a supply chain mapping study with the objective of tracing the top 90% palm volumes to mills level, where possible. We selected the top 90% volume threshold because it

represents the majority of our strategic and key suppliers. In 2019, IFF conducted a palm oil supply chain mapping study with our partner Transitions. The study covered 93% (exceeding our target of 90%) of 2018 palm oil volumes sourced from 9 direct suppliers. Transitions, with support and on behalf of IFF, contacted these suppliers to collect data and investigate their supply chains. The study also indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF's beyond tier 1 suppliers, as refineries & crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.

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**Target reference number**

Target 3

**Forest risk commodity**

Palm oil

**Type of target**

Third-party certification

**Description of target**

Source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

RSPO Mass Balance

**Start year**

2015

**Target year**

2020

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

72

**Please explain**

The target was chosen based on customer requirements and IFF's commitment to sustainability. For example, IFF's top customers require RSPO Mass Balance certification for palm oil included in the products we supply them. Additionally, our sustainability report's section on responsible sourcing includes a commitment to working with partners to source palm oil responsibly. We acknowledge that although palm oil is used minimally in our products, we recognize we have an important role to play in ensuring that the palm oil in our supply chain comes from responsible sources. This is why we set the commitment to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020, which is included in our palm oil policy. Currently, 72% of our production/ consumption volumes for palm oil is certified. The timing and implementation plan were developed around market limitations on commercially available certified sources. IFF has worked with suppliers to identify certified sources and convert our consumption as the market allows. We plan to meet the remainder of the target through our membership in the RSPO, which is focused on sustainable improvement in the supply chain. IFF primarily uses refined palm oil, palm oil derivatives, and palm kernel oil derivatives. However, by sourcing these 3 we recognize our impact on other forms of palm oil sourced or produced by our suppliers in the criteria list, such as crude palm oil, crude palm kernel oil, refined palm oil. Our Palm Oil Policy states our commitment to source all of our palm oil sustainably. RSPO Mass Balance is a supply chain model that allows certified claims to be transferred from one oil palm product to another either through physical blending or administratively under strictly controlled circumstances. Accountability is provided via required supply chain controls from the plantation through to the end product as defined in the RSPO Supply Chain Certification Standard. Additionally, the RSPO IT platform provides accountability via its web-based system for tracing RSPO certified palm oil, palm kernel oil, fractions and palm fatty acids (PFAD), palm kernel fatty acids (PKFAD) and palm kernel expeller, throughout the supply chain from mill to refineries included, under the supply chain Mass Balance model.

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F6.2

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**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	IFF has implemented a traceability process as part of our Responsible Sourcing Risk Assessment methodology. Country of origin information is requested during the raw materials approval process via a supplier questionnaire. At this point IFF collects all necessary supplier documents to assess quality. This includes RSPO certificate data to confirm raw material certification. In 2019, in an effort to achieve greater visibility and traceability within our palm supply chain, IFF launched a traceability study to conduct supply chain mapping of key players and sourcing areas in the palm industry, up to the level of mills and plantations where possible. The scope of the study consists of direct palm suppliers contributing to top 93% volume. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The study indicated that for the scope investigated, IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF's beyond tier 1 (indirect suppliers), as refineries & crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.	Facility	Consistent with best practices and applicable reporting framework guidelines, where applicable, we generally include acquisitions' data in our reporting boundary for the first full year of operation following their acquisition. Due to finalization of the acquisition of Frutarom late in 2018, as well as the size and complexity of its operations, we plan to begin reporting integrated data in the 2021 reporting year. As such, the scope of this report excludes Frutarom unless stated otherwise. Frutarom results may be included in financial and operational data in order to be consistent with our filings with the U.S. Securities and Exchange Commission.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Palm oil	Mill	93
Palm oil	Country	7

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.**

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Mass Balance

**Certification coverage**

Consumption volume

**% of total production/consumption volume certified**

72

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

3815

**Metric**

Metric tons

**Please explain**

Our intention is to source all of our palm oil sustainably. IFF is a member of the Roundtable on Sustainable Palm Oil (RSPO) and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. For example, in 2019 we improved our certification scheme by increasing the capability of our internal lead auditors to support our teams cross-functionally in local sites. IFF also increased our internal training efforts by conducting regional trainings to management and commercial teams across Europe, Asia, and Americas. The trainings provided visibility to management teams and empowered our commercial teams to engage with customers on our sustainable palm policy. We also made progress last year to engage with our vendors by securing new contracts on certified palm, increasing our certified volume to 72% (compared to 58% in 2018) . IFF has also dedicated a resource to oversee the certification system globally for RSPO to ensure that we maintain the standards and renew our participation in the scheme to work towards our sustainable palm oil goal. We also seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses. We have implemented a corporate sustainable palm oil policy. Our goal is to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020. Additionally, IFF has completed RSPO Supply Chain Certification audits at select manufacturing facilities in Europe, North America and Asia, which enables us to deliver RSPO Mass Balance (MB) flavors and fragrances to our customers. In 2018, we improved the preciseness in the inventory accounting numbers, which was previously a manual process and in 2019, we continue to refine this tool with IT support. By enhancing a tool update to our fixed inventory accounting template, we were able to provide consistent and accurate information for RSPO certification and reduce the manual processing time. IFF views this solution as readily available and cost effective.

**F6.4**

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.4a**

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Palm oil

**Operational coverage**

Supply chain

**Description of control systems**

Our control system approach is leveraging the third-party verification of the RSPO certification program to ensure compliance against our commitments and RSPO target. In 2019, IFF conducted a supply chain mapping study with Transitions. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The study indicated that for the scope investigated (93% volume), IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that all the volumes in scope sourced from IFF's direct suppliers are in compliance with IFF's palm oil policy.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

91-99%

**% of total suppliers in compliance**

91-99%

**Response to supplier non-compliance**

Retain & engage

Suspend & engage

Exclude

**Procedures to address and resolve non-compliance with suppliers**

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

**Please explain**

We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. We annually review and consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. For example, in 2019 we reviewed our supplier base to assess status and consider the feasibility of RSPO certification from the suppliers as part of our strategic planning. Moreover, IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis. These auditing efforts are complemented by our vendor quality risk management program, which tracks vendor performance to help determine audit frequency. Our response to non-compliance will vary on the severity and overall business relationship with the supplier. We strive to work with our suppliers towards continuous improvement. We assess this by looking at several factors such as maturity of supplier's own sustainability or sourcing program, willingness to implement improvements and the persistence of the non-compliance etc. These factors will determine whether we retain or suspend the supplier.

**F6.6**

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Please explain
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6a**

**(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Palm oil**

**Procedure to ensure legal compliance**

At IFF, we use less than 0.1 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Although our consumption is minimal, because the production of palm oil is linked to deforestation, biodiversity destruction and human rights abuses, we have an important role to play in ensuring that the palm oil in our supply chain – no matter how small – comes from sustainable sources. We have developed a responsible sourcing program to ensure legal compliance to applicable laws. The program applies IFF’s Vendor Code of Conduct, which includes compliance with all applicable laws, rules, regulations and industry standards, as the basic requirements a Vendor must meet in order to maintain business relationship with IFF. Palm oil suppliers are further reviewed against our Palm Oil Policy for additional due diligence to ensure that our suppliers are also aligned to this policy. Furthermore, our internal company methods for identifying and assessing forests-related risks align with a multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability, on our business and the business of our customers. Our risk assessment methodology uses reliable indices such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index and Yale Environmental Performance Index (EPI) to assess risk. In 2019, we conducted hot-spot screenings using NEPCon Sourcing Hub and Global Forest Watch. To complement and provide third-party validation of our internal company methods for identifying and assessing forests-related risks to ensure legal compliance, we also utilize external consultants. This process helps IFF to validate that our internal procedure is effective and sufficient in ensuring legal compliance with forest regulations and/or mandatory standards. We also worked with Transitions in 2019 conduct a supply chain mapping study, which included a due diligence process to review commitments, action plans, and reporting on compliance by our key palm suppliers.

**Country/Area of origin**

- Colombia
- Guatemala
- Honduras
- Indonesia
- Malaysia

**Law and/or mandatory standard(s)**

- General assessment of legal compliance
- Other, please specify (RSPO standard)

**Comment**

In line with our RSPO commitment to source 100% certified palm by 2020, we conduct due diligence by reviewing our palm supply chain with our suppliers on an annual basis to determine availability of certified palm and plans for future certifications (according to RSPO standard, which includes legal compliance requirements). The engagement helps us identify where certified sources are available and where there could be opportunities to engage with suppliers in key areas to promote sustainability and increase participation in certification efforts. We also leverage RSPO membership and our existing supply chain network for additional due diligence insights and guidance as guidelines evolve. Furthermore, we also leverage external consultancy partners, such as RainForest Alliance and Transitions to enhance our due diligence process and verify the effectiveness of our legal compliance procedure. This process of third-party engagement has been effective in validating our approach. For example, the supply chain mapping study by Transitions indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF’s beyond tier 1 suppliers, as refineries & crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects Prioritizing support for smallholders in high-risk deforestation regions Paying higher prices linked to best agricultural practices Financial incentives for certified products Purchase guarantee linked to best agricultural practices Long term contracts linked to forest related commitments	1010	In 2019, IFF conducted a palm oil supply chain mapping study with our partner Transitions. The study covered 93% of 2018 palm oil volumes sourced from 9 direct suppliers. Transitions, with support and on behalf of IFF, contacted these suppliers to collect data and investigate their supply chains. The findings of the analysis are shared with the Responsible Sourcing Committee to assess future strategies to support smallholder communities. We also worked closely with RSPO in 2019 to understand other ways IFF can contribute to smallholder communities and will consider purchasing credits in the future. Additionally, we also work with local producers around the world to provide our perfumers and flavorists with pure, natural, transparent and sustainable ingredients that reset the standard on quality, inspire customers and delight consumers every day. With respect to evaluating specific naturals and renewable ingredients for environmental and social risks and performance, we use a similar approach to that of our vendor risk management process: identify and prioritize risks so they can be appropriately mitigated. For example, for years we have worked closely with vetiver farmers in Haiti to share our techniques and know-how to help improve yields and quality and to increase income for their families. We procure high-quality vetiver oil from a distillery in Haiti, which, in turn, sources the raw material from smallholder farmers on the island. Furthermore, to support patchouli farmers, LMR Naturals by IFF worked closely with a partner to develop a traceable and environmentally conscious supply chain using a vertically integrated model. Our optimization program – audited annually through ECOCERT's For Life program – combined with our community program, sustainably provides direct benefits to more than 600 patchouli farmers and indirect benefits to more than 2,800 community members on three Indonesian islands. Another example is our vanilla supply chain in Madagascar. In 2019, we made progress to improve vanilla quality and productivity by developing a farmers' association and registering more than 400 producers, approximately 20% are female. Through the association, we are providing a variety of benefits and support, including the tools, education and guidance to apply sustainable environmental and social practices to vanilla cultivation.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working with direct suppliers	Supply chain mapping Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Paying higher prices linked to best agricultural practices Financial incentives for certified products Purchase guarantee linked to best agricultural practices Long-term contracts linked to forest related commitments Other, please specify (Encouraging work with multi-stakeholder groups)	91-99%	In 2015, IFF set a goal to source 100% RSPO certified PO/PKO through the Mass Balance supply chain model by 2020. Our main strategy of engagement is to proactively communicate our Palm Oil Policy and RSPO commitments to our suppliers to raise awareness and to encourage RSPO membership. We consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. For example, in 2019 we reviewed our supplier base to assess status and consider the feasibility of RSPO certification from the suppliers as part of our strategic planning. By driving demand for sustainable materials, IFF hopes to achieve our goal of 100% RSPO certified PO/PKO. As a result of our supplier engagement (all of approximately 145 suppliers in 2019 were engaged), we made progress last year by securing new contracts on certified palm, increasing our certified volume to 72% (compared to 58% in 2018) with more forecasted in the future. In 2019, IFF also conducted a supply chain mapping study with Transitions. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The study indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. We also have procurements standards for suppliers through our Responsible Sourcing program. We require suppliers to be assessed through EcoVadis or Sedex, two supply chain platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. We require Sedex assessments, EcoVadis third party assessments, SMETA 4-Pillar or Together for Sustainability Audits. Through these initiatives, we committed to conduct assessments and audits of our suppliers annually and the scope cover issues such as labor and human rights, working conditions and the environment, which align with IFF's Vendor Code of Conduct. These procurement standards are based on key International Labor Organization (ILO) conventions, the UN Global Compact Principles, Social Accountability (SAI) criteria, among others.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.9**



**(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?**

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working beyond first tier	Supply chain mapping	Developing or distributing supply chain mapping tools	The main strategy of engagement for indirect suppliers beyond first tier is supply chain mapping. In 2019, IFF conducted a supply chain mapping study with Transitions. With support and on behalf of IFF, Transition developed a supply chain mapping tool and contacted suppliers to collect data and investigate their supply chains (IFF indirect suppliers). The study identified over 1,400 mills primarily in Indonesia and Malaysia, and over 70 refineries and crushers, also primarily in Indonesia and Malaysia, down to the state-province level. The study indicated that IFF has 100% transparency up to refineries and crushers, 86% up to mills, and 20% up to plantations. The study also found that 85% of IFF's beyond tier 1 refineries and crushers (indirect suppliers), as refineries & crushers, are RSPO certified and 22% of their downstream mills are RSPO certified. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.10**

**(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

UN Global Compact

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify (NASPON; UEET; TFS)

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF joined RSPO in 2013 and we are committed to sourcing 100% certified palm oil by 2020. We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification. In 2019, 10 sites were certified or re-certified against RSPO standards, we also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. IFF is also a founding member of the North American Sustainable Palm Network (NASPON), an independent group of "associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America," with the goal of reaching 100% CSPO in the market. In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT). The UEBT is an internationally recognized non-profit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. As part of our journey to ensure that our products are made with ingredients sourced with respect for people and biodiversity, we successfully passed the UEBT membership assessment. IFF also attended multiple industry events and working group sessions for palm oil in 2019, including RSPO's 17th annual Roundtable (RT17) in Thailand and UEBT annual conference 2019 in France. IFF is also a member of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves sustainability sourcing practices. From a more general sustainability standpoint, we are active members of several sustainability-focused organizations. We formally support the 10 Principles of the UN Global Compact, and our Chairman and CEO serves on the Executive Committee of the World Business Council for Sustainable Development.

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in industry platforms

**Initiatives**

<Not Applicable>

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is a founding member of North American Sustainable Palm Network (NASPON), an independent group of “associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America,” with the goal of reaching 100% CSPO in the market. We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification. In 2019, 10 sites were certified or re-certified against RSPO standards. We also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT). The UEBT is an internationally recognized non-profit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. As part of our journey to ensure that our products are made with ingredients sourced with respect for people and biodiversity, we successfully passed the UEBT membership assessment. IFF also attended multiple industry events and working group sessions for palm oil in 2019, including RSPO’s 17th annual Roundtable (RT17) in Thailand and UEBT annual conference 2019 in France. IFF is also a member of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves sustainability sourcing practices. With TfS, suppliers are able to assessments and audits. TfS assessments and audits cover issues such as labor and human rights, working. In 2017, we began third-party TfS audits for selected suppliers. If noncompliance is identified during these audits, we will work with suppliers on corrective action plans and remediation.

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with non-governmental organizations

**Initiatives**

&lt;Not Applicable&gt;

**Jurisdictional approaches**

&lt;Not Applicable&gt;

**Please explain**

We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is a founding member of North American Sustainable Palm Network (NASPON), an independent group of “associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America,” with the goal of reaching 100% CSPO in the market. We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification. In 2019, 10 sites were certified or re-certified against RSPO standards. We also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. In 2019, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became provisional members of the Union for Ethical BioTrade (UEBT). The UEBT is an internationally recognized non-profit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. As part of our journey to ensure that our products are made with ingredients sourced with respect for people and biodiversity, we successfully passed the UEBT membership assessment. IFF also attended multiple industry events and working group sessions for palm oil in 2019, including RSPO’s 17th annual Roundtable (RT17) in Thailand and UEBT annual conference 2019 in France. IFF is also a member of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves sustainability sourcing practices. With TfS, suppliers are able to assessments and audits. TfS assessments and audits cover issues such as labor and human rights, working. In 2017, we began third-party TfS audits for selected suppliers. If noncompliance is identified during these audits, we will work with suppliers on corrective action plans and remediation.

**F6.11****(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.11a****(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).****Project reference**

Project 1

**Project type**

Agroforestry

**Primary motivation**

Voluntary

**Description of project**

Sustainable Patchouli, Sulawesi, Indonesia: Patchouli is one of the most important ingredients used in fragrances. The scent of patchouli has been popular for centuries and is commonly used in fine fragrances as well as consumer products such as laundry detergents and air fresheners. IFF sources much of our patchouli oil from Indonesia, where there are significant environmental, social and economic challenges facing supply chains for this botanical – from deforestation and plastic waste to the high number of intermediaries involved in the process that can hinder transparency. For these reasons, IFF voluntary selected this project. To address these challenges, the project’s objective is to implement agroforestry practices with For Life farmers together with social & traceability activities such as women empowerment, sustainable waste and resources management. There are 4 pillars of this project: 1) improve farmers’ livelihoods, 2) increase attractiveness of patchouli farming for farmers, 3) promote more sustainable agricultural practices, and 4) ensure conformity of supply chain. Agroforestry is implemented in 4 different phases: 1) Socialization of project, 2) Pre-registry, 3) Tree distribution, and 4) Tree monitoring. At every step of this process, everything is done to maximize the social & environmental impacts of tree planting and provide training to farmers. As the project is completely new to the area, a gradual approach has been chosen: • Wave 1 (distribution in Q1 2020): 10 000 trees • Wave 2 (distribution in Q1 2021): 30 000 trees • Wave 3 (distribution in Q1 2022): 35 000 trees In total, during the 3-year project period, the objective is to plant 75 000 trees with IFF patchouli For life sourcing communities, in 3 different planting waves. IFF also dedicated an agronomist to work closely with the project team and support with field visits several times a year.

**Start year**

2018

**Target year**

Other, please specify (2021-2022)

**Project area to date (Hectares)**

248.4

**Project area in the target year (Hectares)**

1800

**Country/Area**

Indonesia

**Latitude**

-3.9675

**Longitude**

122.594722

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

Other, please specify (Social)

**Please explain**

Measured outcomes to date include: In 2019, one planting wave has been rolled out of the three planting waves of the project. Many other key project indicators are measured (activities & outcomes), among them: Biodiversity: Number of participating farmers, Number of trees planted, number of species planted, ha concerned, % of tree recovery following monitoring 1 & 2. In 2019, 78 households from 13 villages participated to the agroforestry project, covering more than 240ha. 10 489 trees from 19 different species were distributed. The first monitoring is planned for Q4 2020. For the second wave (Q1 2021), 30 000 trees will be planned. Social & others: Additional income related to agroforestry practices, number of women included in additional activities and villages in waste management. In 2019, 2 pilot women empowerment projects started with 12 women actively involved. 1 waste bank project was initiated with 1.7 mtons of waste sorted by the villagers. 2 study regarding firewood are being conducted: the 1st one of the firewood consumptions between a conventional & a new distillation units; the 2nd one on the firewood traceability.

**Project reference**

Project 2

**Project type**

Reforestation

**Primary motivation**

Voluntary

**Description of project**

Sustainable vanilla, SAVA region, Madagascar: Vanilla is a core ingredient both for flavours and fragrances. This precious spice is primarily cultivated in Madagascar, where social, environmental, quality and traceability challenges make the supply chain extremely fragile. Though one of the largest vanilla-exporting countries in the world, Madagascar is also one of the poorest. Vanilla cultivation, which requires pollination by hand, is a time-consuming and labor-intensive process for independent smallholder farmers. Due to its location and isolation, it has tremendous biodiversity, but this is being threatened by slash-and-burn agriculture, primarily for rice cultivation. For these reasons, IFF voluntary selected this project. The objective of this project is to create a long-term and stable supply of sustainable and high-quality vanilla with the current sourcing communities. There are 3 pillars of this project: 1) improve vanilla quality and productivity, 2) engagement communities and improve livelihoods, and 3) preserve ecosystems. The main activities to support the project objective are the following: • Develop a farmer organization to build a long-term relationship • Promote good agricultural practices & transformation practices to improve yields and limit the impacts on environment • Certify the project to increase the value added for farmers • Support farmer communities through diverse social actions (health fund, rice banks, school & education etc.) • Diversify farmer revenues • Reforest the landscape with local communities This activity is managed by a local NGO using a specific model: creating pilot tree nurseries with local farmers to train new tree nurseries managers and supply tree seedlings to local communities. The objective is to self-sustain the supply of trees at the end of the project, which is quite important given the remote area where the project is.

**Start year**

2019

**Target year**

Other, please specify (2021-2022)

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Madagascar

**Latitude**

-14.355225

**Longitude**

49.905119

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

Other, please specify (Social)

**Please explain**

Measured outcomes to date include: In 2019, more than 3,000 seedlings from 3 local environmental species were distributed to 696 farmers. Also, 12 tree nurseries managers were trained and 3 049 tree seedlings from 3 species were distributed to vanilla farmers. The exact 2019 covered surface area is not yet known as this indicator is collected during the tree monitoring, initially planned in March 2020 but postponed due to the covid-19 crisis. In 2020, the objective is to have 9 running tree nurseries managed by local farmers. Looking ahead, we aim to scale up the program by bringing more producers into the program, which will indirectly benefit more families and community members.

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## F7. Verification

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### F7.1

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#### **(F7.1) Do you verify any forests information reported in your CDP disclosure?**

No, but we are actively considering verifying in the next two years

## F8. Barriers and challenges

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### F8.1

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#### **(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

##### **Forest risk commodity**

Palm oil

##### **Coverage**

Supply chain

##### **Primary barrier/challenge type**

Supply chain complexity

##### **Comment**

IFF's supply chain is broad and complex. We purchase approximately 41,000 different raw materials from an extensive network of domestic and international suppliers and distributors. We have an integrated supply chain, from raw material sourcing through manufacturing, quality assurance, regulatory compliance and distribution, which permits us to provide our customers with consistent quality products on a timely and cost-effective basis. We use both natural and synthetic ingredients in our compounds. We engage with these suppliers to help ensure they operate responsibly. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards, including those concerning workplace safety and human rights. IFF explicitly supports internationally recognized human rights standards. With such a complex and large supply chain, IFF has limited leverage in influencing markets. We look to multi-stakeholder initiatives such as RSPO to influence the palm oil market. Public awareness continues to grow and we see an increase demand from customers of certified sustainable products. That said, the demand for certified sustainable palm oil, particularly of some specialized materials, currently exceeds availability. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

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##### **Forest risk commodity**

Palm oil

##### **Coverage**

Direct operations

Supply chain

##### **Primary barrier/challenge type**

Limited availability of certified materials

##### **Comment**

IFF's supply chain is broad and complex. We purchase approximately 41,000 different raw materials from an extensive network of domestic and international suppliers and distributors. We have an integrated supply chain, from raw material sourcing through manufacturing, quality assurance, regulatory compliance and distribution, which permits us to provide our customers with consistent quality products on a timely and cost-effective basis. We use both natural and synthetic ingredients in our compounds. We engage with these suppliers to help ensure they operate responsibly. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards, including those concerning workplace safety and human rights. IFF explicitly supports internationally recognized human rights standards. With such a complex and large supply chain, IFF has limited leverage in influencing markets. We look to multi-stakeholder initiatives such as RSPO to influence the palm oil market. Public awareness continues to grow and we see an increase demand from customers of certified sustainable products. That said, the demand for certified sustainable palm oil, particularly of some specialized materials, currently exceeds availability. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

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### F8.2

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**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Improved data collection and quality

**Comment**

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Approximately 75% of our global supplier spend in 2019 was with suppliers assessed through EcoVadis or Sedex. Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Greater transparency

**Comment**

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Approximately 75% of our global supplier spend in 2019 was with suppliers assessed through EcoVadis or Sedex. Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Increased demand for certified products

**Comment**

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Approximately 75% of our global supplier spend in 2018 was with suppliers assessed through EcoVadis or Sedex. Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

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**F17 Signoff**

**F-FI**

**(F-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.**

F17.1

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(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Executive VP and Chief Financial Officer	Chief Financial Officer (CFO)

SF. Supply chain module

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SF0.1

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(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	5140084000

SF0.2

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(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SF1.1

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(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Yes

SF1.1a

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(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

**Requesting member**

L'Oréal

**Forest risk commodity**

Palm oil

**Form of commodity**

Palm oil derivatives

Palm kernel oil derivatives

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

15

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

91-99%

**Comment**

Total volume of palm derived materials sold to L'Oreal is between 10-15 metric tons.

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SF2.1

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**(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.**

**Requesting member**

L'Oréal

**Commodity related to the project**

Palm oil

**Category of project**

Certification

**Type of project**

Increase in coverage of commodity certified

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Our intention is to source all of our palm oil sustainably. IFF is a member of the Roundtable on Sustainable Palm Oil (RSPO) and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. We also seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses. We have implemented a corporate sustainable palm oil policy. IFF views this solution as available. The nature of the mass balance (MB) supply chain model allows IFF to deliver certified sustainable flavors and fragrances to our customers with the same profile as our conventional products.

**Projected outcome**

Our goal is to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020.

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**Requesting member**

L'Oréal

**Commodity related to the project**

Palm oil

**Category of project**

Relationship sustainability assessment

**Type of project**

Aligning goals to feed into customers targets and ambitions

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

We welcome the opportunity to partner with you on initiatives that will help to support and advance your sustainability goals, including projects to provide renewable and natural feedstocks. An opportunity to collaborate may include community projects in areas where certain ingredients are grown, providing ingredients that are fully traceable and certified. One example is the solidarity sourcing project for rose in Turkey, which aims for a fully traceable, social and environmental excellence across the value chain.

**Projected outcome**

Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. We believe having a shared goal and desired outcome will help foster collaboration and help promote a more sustainable palm oil supply chain.

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**SF2.2**

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**(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?**

Yes

**SF2.2a**

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**(SF2.2a) Specify the requesting CDP supply chain member(s) that have driven organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain and provide details on how.**

**Requesting member**

L'Oréal

**Category of project**

Certification

**Type of project**

Increase in coverage of commodity

**Description of the project/initiative**

Our intention is to source all of our palm oil sustainably. IFF is a member of the Roundtable on Sustainable Palm Oil (RSPO) and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. Our goal is to source 100 percent RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model by 2020.

**Give an indication of the metric of success for the initiative**

Approximately 99% of palm derived materials sold to L'Oreal is RSPO certified.

**Would you be happy for CDP supply chain members to highlight this work in their external communication?**

Yes

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**Requesting member**

L'Oréal

**Category of project**

Certification

**Type of project**

Other certification projects, please specify (Certification of products)

**Description of the project/initiative**

The mass balance supply chain model allows everyone within the supply chain to demonstrate their commitment to sustainable palm production and to actively promote the use of RSPO certified palm. IFF views this solution as available. The nature of the mass balance (MB) supply chain model allows IFF to deliver certified sustainable flavors and fragrances to our customers with the same profile as our conventional products.

**Give an indication of the metric of success for the initiative**

We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification in Europe, North America and Asia, which enables us to deliver RSPO Mass Balance (MB) flavors and fragrances to our customers.

**Would you be happy for CDP supply chain members to highlight this work in their external communication?**

Please select

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**SF3.1**

**(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?**

**Palm oil**

**Estimate GHG emissions and removals from land use and land use change**

No, but plan to do so in the next two years

**Please explain**

We are prioritizing our focus on our RSPO 2020 targets and certified volumes currently.

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**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Customers	Public	<Not Applicable>

**Please confirm below**

I have read and accept the applicable Terms