

A close-up photograph of several green leaves with prominent veins, set against a light green background. A purple stem is visible at the bottom left corner.

GRI INDEX

OUR SUSTAINABILITY REPORT 2012

Contents

This Index accompanies IFF's 2012 Sustainability Report, which was prepared in accordance with the G3.1 guidelines of the Global Reporting Initiative (GRI), the respected global standard for such reporting. We have prepared a GRI Application Level B+ report with external assurance of the full report. This report has been reviewed and checked for completeness by the GRI. More information on the GRI framework can be found at www.globalreporting.org.

In addition, we engaged the ISOS Group, an integrated sustainability consultancy firm and GRI-Certified training partner in the U.S., to conduct an assurance evaluation of our report. After a review of our documentation, procedures and reporting team, ISOS has provided an External Assurance Statement that provides an added level of transparency to our stakeholders.

For more information on IFF's Sustainability program, visit iff.com/sustainability.

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Statement GRI Application Level Check

GRI hereby states that **International Flavors & Fragrances Inc.** has presented its report "Moving Forward" (2012) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 23 May 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because International Flavors & Fragrances Inc. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Standard Disclosures Part I: Profile Disclosures

Key to Indicators: ■ Fully Reported ■ Partially Reported

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	pg. 3, From Our Chairman
1.2	Description of key impacts, risks, and opportunities.	Fully	pp. 4-5, Our Stewardship Strategy; pg. 8, Our Products; pp. 26-27, Our Impact; pg. 46, Our Sources; pp. 64, Our People; pg. 78, Our Ethics.
2. Organizational Profile			
2.1	Name of the organization.	Fully	pg. 2, Our Company
2.2	Primary brands, products, and/or services.	Fully	pg. 2, Our Company; pg. 3, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials .
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	Fully	pg. 2, Our Company; pp. 8, 19-20, 76, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials .
2.4	Location of organization's headquarters.	Fully	pg. 2, Our Company
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	pg. 2, Our Company; pp. 3, 19-20, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
2.6	Nature of ownership and legal form.	Fully	pg. 2, Our Company
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Fully	pg. 2, Our Company; pg. 3, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials . IFF has 4,000 global, multinational and regional customers; our 25 largest customers accounted for 53 percent of our sales during 2012.
2.8	Scale of the reporting organization.	Fully	pg. 2, Our Company; pg. 3, 41, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials . We are one of the top four companies in the global flavors and fragrances market, which comprise approximately two thirds of the total market, estimated at \$17 billion. We create unique scent and taste experiences people love.
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Fully	pg. 16, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials . During 2012, we opened a new state-of-the-art liquid flavors and fragrances manufacturing plant in Jurong, Singapore.

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
2.10	Awards received in the reporting period.	Fully	pg. 85, About this Report. During 2012, IFF also received the PRNews CSR Awards Honorable Mention for Top 10 Sustainability Video, "Grow with Us"; Prestige Fragrance for L'Homme Libre—Yves Saint Laurent (Germany); Laurent le Guernec, Perfume Extraordinaire of the Year Award for Bond No. 9 New York Oud; Perfume Extraordinaire of the Year Award: Memo Shams (UK); Prix du Grand Public: Hugo Just Different—Hugo Boss (France); Unilever Thailand, Innovation in Encapsulation; ASDA, Supplier Innovation Award, 2012; InformationWeek 500, ranked #2 in Chemical Industry and #154 among top 250 Most Innovative Users of Information Technology; P&G, Supplier Excellence Award, 2012; and Estée Lauder, Special Recognition in Corporate Responsibility Award, 2012.

3. Report Parameters

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Calendar year 2012, unless otherwise noted
3.2	Date of most recent previous report (if any).	Fully	September 1, 2012
3.3	Reporting cycle (annual, biennial, etc.).	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Comments or questions about IFF's sustainability initiatives can be directed to sustainability@iff.com.
3.5	Process for defining report content.	Fully	pp. 80-81, Stakeholder Engagement; and 84-85, About this Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	pp. 84-85, About this Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	<p>pp. 84-85, About this Report; and pp. 26-31, Our Impact. IFF tracks all greenhouse gas emissions, energy, water use and hazardous waste generated from all our manufacturing facilities. The environmental performance data in this report reflects the following limitations and is consistent with IFF's 2011 Sustainability Report, "Seeds of Growth":</p> <ul style="list-style-type: none"> • IFF tracks water use when available. Water use data is not available from ten leased offices and thus not included in our water use totals. • IFF tracks hazardous waste generated by our manufacturing facilities, but not from our offices and some of our creative centers since they do not generate hazardous waste. • IFF does not currently track and did not include in our Scope 1 emissions small amounts of fugitive methane emissions from on-site wastewater treatment and emissions from mobile combustion sources. We intend to develop a tracking method and report on these emissions in the future. <p>We also plan to expand the scope of our reporting on water use by type, wastewater and industrial non-hazardous waste in the future.</p>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	pp. 84-85, About this Report

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	<p>pp. 84-85, About This Report; and pp. 26-31, Our Impact. IFF chose data-collecting methodologies based on specific criteria needed to measure the progress against goals and targets. These include, but are not limited to, computer software applications (e.g., SAP, Environmental Management System [EXP], SharePoint), surveys, GAAP (Generally Accepted Accounting Principles) and manual data collection.</p> <p>Our greenhouse gas (GHG) emissions were calculated using the Greenhouse Gas Protocol (2004) and GHG emissions factors for:</p> <ul style="list-style-type: none"> • Scope 1 emissions (from fuel oil, LPG-propane, natural gas, and process derived oil use)—from the <i>U.S. EPA Climate Leaders Greenhouse Gas Inventory Protocol Core Module Guidance Documents</i> (2008) and <i>International Energy Agency (IEA) CO₂ Emissions from Fuel Combustion</i> (2012). • Scope 2 emissions (from purchased steam, electricity and renewable electricity)—from the country-specific GHG emissions factors when available, and from the <i>IEA International Electricity Emission Factors by Country</i> (2012) when not.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	<p>pp. 26-31, Our Impact. In previous years, our performance data which was normalized to “per metric ton of production” included impacts of both intermediate and finished goods. To improve accuracy and ensure consistency, we have updated and restated production data to exclude impacts of intermediate goods and include impacts of only finished goods back to our baseline year of 2010. Going forward, we will base our performance data on production of finished goods only.</p> <p>Pg. 29, 31, Our Impact. Based on this year’s ISOS verification and to improve accuracy and consistency, we have updated and restated our hazardous waste data for 2010, 2011 and 2012.</p> <p>Pg. 36, Our Impact. The total recordable accidents per 100 employees in 2011 was stated as 1.26 in IFF’s 2011 Sustainability Report, “Seeds of Growth.” Two incidents have been reclassified since then, increasing this figure to 1.29.</p>
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Fully	<p>There were no significant changes from previous reporting periods in scope, boundary or methodology applied in this report. The International Energy Agency updated its greenhouse gas (GHG) emissions factors for purchased electricity in 2012, as did a number of countries in which IFF operates (Australia, Brazil, Canada, UK and the United States). In response, IFF used these updated GHG emissions factors for our 2012 carbon inventory. This does not represent a change in methodology, and per the U.S. EPA Climate Leaders’ Indirect Emissions from Purchase of Electricity and Steam Guidelines (2008), we use GHG emission factors corresponding to the year of our inventory activity data and did not apply these factors to previous years. This update was beneficial to us and led to an approximately 1.4 percent decrease in IFF’s total reported carbon footprint (Scope 1 and 2 carbon emissions combined), and a 2.5 percent decrease in our Scope 2 emissions in 2012.</p>
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This is the GRI Index.
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	pp. 84-85, About this Report

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
4. Governance, Commitments and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	See the Governance section of www.iff.com at http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govhighlights
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	pg. 8, 2012 Proxy Statement. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=proxy
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	pp. 8-9, 2012 Proxy Statement. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=proxy . Ten of IFF's eleven directors are independent. Three of the directors are women.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	pg. 70, 2012 Proxy Statement http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=proxy
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	pp. 50-53, 2012 Proxy Statement, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=proxy
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	pg. 2, IFF Executive Officer Code of Business Conduct and Ethics. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	pp. 12-13, IFF 2012 Proxy Statement, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=proxy
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Fully	pg. 47, Our Sources; pg. 78, Our Ethics. IFF Codes of Conduct can be accessed at our website: http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Fully	IFF website www.iff.com , Corporate Governance Guidelines: http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govGuidelines . The IFF Board of Directors has three committees: Audit, Compensation and Nominating and Governance. In addition to overseeing and reviewing the financial reporting process and the integrity of the Corporation's financial statements and related financial information, the Audit Committee oversees and reviews the procedures for monitoring compliance with worldwide laws and regulations and with our Code of Business Conduct and Ethics. We also have an internal audit function that assists in evaluating and improving the effectiveness of our risk management, internal control, financial reporting, and governance processes.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Fully	IFF website www.iff.com . Committee Charters, Nominating and Governance Committee: http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govCommittee&Committee=7214

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	We do not formally apply the precautionary principle. We implemented a robust risk evaluation tool to identify significant risks faced by our company. This tool involves surveying employees to gauge their assessment of risks and then consolidating their responses into a set of key risks, such as the quality of or disruptions to our supply chain. The consolidated set is communicated to the operating committee and Board of Directors at least annually. Our Form 10-K includes a detailed description of our financial risks: http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials .
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Fully	pp. 27, 34 and 35, Our Impact; pp. 47-53, Our Sources; and pg. 83, Our Memberships. Also, we subscribe to the International Fragrance Association's Code of Practice.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	pg. 83, Our Memberships. In addition, we are a member of the following organizations and associations: American Chemical Society; American Cleaning Institute; Cosmetic Executive Women (serve on board); European Cosmetic Association; European Flavour and Fragrance Association; Fashion Group International; Flavor and Extract Manufacturers Association; Fragrance Foundation (serve on board); Institute of Food Technologists; International Association of Flavour Industries; International Fragrance Association (serve on board); International Fragrance Association—North America (serve on board); International Organization of the Flavor Industry (serve on board); Monell Chemical Sense Center; Natural Resources Stewardship Circle; Personal Care Products Council; Research Institute for Fragrance Materials (serve on board); and Sense of Smell Institute.
4.14	List of stakeholder groups engaged by the organization.	Fully	pp. 80-81, Stakeholder Engagement; and pg. 83, Our Memberships.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	pp. 80-81, Stakeholder Engagement. Also, leading up to the formalization of our sustainability strategy, we engaged with a number of stakeholders, especially customers and employees. The customers with whom we engaged were selected by our senior commercial management team based on their position in the marketplace, importance to IFF, and current sustainability program. The employees were selected based on interest in the strategy development process. Also, our internal investor relations team provided us with a review of investor positions on sustainability topics.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	pp. 80-81, Stakeholder Engagement.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	pp. 80-81, Stakeholder Engagement.

Standard Disclosures Part II: Disclosures On Management Approach (DMAs)

Key to Indicators: ■ Fully Reported ■ Partially Reported

G3.1 DMAs	Description	Level Reported	Cross-reference/Direct answer
DMA Disclosure on Management Approach EC (Economic)			
			pg. 2, Our Company; pg. 3, From Our Chairman. See responses to EC1, EC3 and EC4 below.
Aspects	Economic performance	Partially	pg. 2, Our Company; pg. 3, From Our Chairman. See responses to EC1, EC2, EC3 and EC4 below.
	Market presence	Partially	p g. 2, Our Company; pg. 3, From Our Chairman; pg. 8, Our Products; pp. 70-71, Our People.
	Indirect economic impacts	Partially	pp. 46-55, Our Sources.
DMA Disclosure on Management Approach EN (Environmental)			
		Fully	Environmental, health, and safety policies, procedures, and compliance oversight is the responsibility of our Global Regulatory Affairs group. The vice president of Global Regulatory Affairs reports to the chairman and CEO through the senior vice president and general counsel. Our director of sustainability reports to the president of the Fragrances business unit, who in turn reports to the chairman and CEO. The director of sustainability is responsible for finalizing and implementing our sustainability strategy, including environmental goals and targets, for both the Fragrances and Flavors business units.
Aspects	Energy	Fully	pp. 9-10, 14, Our Products; pp. 26-34, Our Impact. See also responses to EN3, EN4, EN5, EN6 and EN7 below.
	Water	Partially	pp. 26-34, Our Impact. See also responses to EN8 and EN10 below.
	Biodiversity	Partially	pp. 50-54, Our Sources.
	Emissions, effluents and waste	Partially	pp. 9-10, 14, Our Products; pp. 26-34, Our Impact. See also responses to EN16, EN18, EN22, EN23 and EN24 below.
	Products and services	Partially	pp. 8, 9, 13, Our Products; pg. 34, Our Impact. See response to EN26 below
	Compliance	Fully	We had no non-monetary sanctions and no cases brought through dispute resolution mechanisms. See response to EN28 below
	Transport	Fully	<p>pg. 14, Our Products. IFF conducted a life-cycle assessment of four of our products, which included these products raw materials and product transport.</p> <p>For one EU-based global customer, IFF conducted a joint logistics analysis of road transports and implemented changes which reduced trips by approximately 3%. Another example is how our Tilburg manufacturing facility reduced transportation requirements by delivering materials in bulk via tanker truck rather than in individual drums.</p>

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
DMA	Disclosure on Management Approach LA (Labor Practices and Decent Work)		
		Fully	<p>At the corporate level, employee-related issues are overseen by our senior vice president and chief human resources officer, who serves as a member of the Operating Committee and reports directly to our CEO. She oversees the work of our four global HR heads (one each for Fragrances/Flavors, Operations, Finance/IT/Legal/HR and R&D), our regional HR leads, and our HR business partners in each major IFF location around the world. Union relationships are handled by our global HR business partners, head of operations in conjunction with the local HR business partners and operations management.</p> <p>Workplace safety is overseen by our Environment, Health and Safety (EHS) office within our Global Regulatory Affairs function. EHS provides leadership, guidance, and assistance to all IFF locations, to help them achieve and maintain compliance with internal and external health and safety standards. The operations management team at each manufacturing facility is responsible for driving safety performance within their own facility.</p>
Aspects	Employment	Partially	pp. 64, 67-68, 70-71 Our People. See also responses to LA1 and LA2 below.
	Labor/management relations	Partially	IFF has collective bargaining agreements with approximately a quarter of its employees in 2012. See response to LA4 below
	Occupational health and safety	Partially	pg. 36, Our Impact. See also responses to LA6, LA7 and LA8 below.
	Training and education	Fully	pp. 65-71, Our People. See responses to LA10, LA11 and LA12 below.
	Diversity and equal opportunity	Fully	pg. 64, Our People. See also response to LA 13 below.
	Equal remuneration for women and men	Partially	IFF is committed to the principle of providing equal opportunity for all employees. In direct support of IFF's Equal Employment Opportunity Policy, we recognize that it is good practice that pay be awarded fairly and equitably regardless of gender, race, color, creed, religion, sexual orientation, national origin, marital status, pregnancy, ancestry, age, political or religious opinions or affiliations, military or veteran status, record of conviction or arrest, protected disability, genetic characteristics or HIV status.
DMA	Disclosure on Management Approach HR (Human Rights)		
		Fully	pp. 78-79, Our Ethics. Our Global Procurement division oversees our supplier relationships, which cover issues of human rights, and our Vendor Code of Conduct sets forth our expectations for supplier performance. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
Aspects	Investment and procurement practices	Partially	pp. 46-55, Our Sources. See also response to HR2 below.
	Freedom of association and collective bargaining	Fully	pp. 78-79, Our Ethics. Our Global Procurement division oversees our supplier relationships, which cover issues of human rights, and our Vendor Code of Conduct sets forth our expectations for supplier performance. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct . See response to HR5 below.
	Child labor	Fully	pp. 78-79, Our Ethics. Our Global Procurement division oversees our supplier relationships, which cover issues of human rights, and our Vendor Code of Conduct sets forth our expectations for supplier performance. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct . See response to HR6 below.

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
	Prevention of forced and compulsory labor	Fully	pp. 78-79, Our Ethics. Our Global Procurement division oversees our supplier relationships, which cover issues of human rights, and our Vendor Code of Conduct sets forth our expectations for supplier performance. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct . See response to HR7 below.
DMA Disclosure on Management Approach SO (Society)			
		Fully	See response to LA5 below. Code of Business Conduct, Vendor Code of Conduct, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
Aspects	Local communities	Partially	pg. 37, Our Impact; pp. 49-56, Our Sources; pg. 81-82, Our Ethics. See also response to SO1 below.
	Public policy	Partially	<p>IFF does not lobby nor participate in public policy development independently. We work through both industry trade associations (IFRA, IOFI, etc.) or through our customers' trade associations. The core position of the industry is that our products are safe for their intended use. This assurance is determined through a science-based, safety risk assessment utilizing validated scientific methods and experts. There are no significant differences between our industry lobbying efforts and stated policies and IFF's goals or public positions.</p> <p>IFF does not make monetary contributions to political candidates or campaigns.</p>
DMA Disclosure on Management Approach PR (Product Responsibility)			
		Fully	<p>pp. 9-14, Our Products. See also responses to PR3, PR5, and PR6. Our Global Regulatory Affairs department manages our product quality and safety approach and ensures that we are meeting all requirements of the many global regions where we operate. We monitor regulatory changes and work with our customers on issues that impact their products. Across our operations, more than 300 individuals directly support our product quality safety systems. However, we believe that product quality and safety are the responsibility of all of our employees. Continuous improvement of our processes is central to our culture, and the focus of every business activity, from creative design through procurement, manufacturing through customer service. Every IFF fragrance and flavor facility incorporates the necessary requirements of a number of internationally recognized quality systems, including:</p> <ul style="list-style-type: none"> • ISO 9001 (2000), the international standard for quality management • The Hazard Analysis Critical Control Point system, which provides a systematic approach to safety management • Good Manufacturing Practices • American Institute of Baking standards <p>All finished IFF products undergo final quality-control testing, which, depending on the product, might include sensory, analytical, and microbiological analysis.</p>
Aspects	Customer health and safety	Partially	pg. 12-15, Our Products.
	Product and service labeling	Partially	All of our products are subject to labeling requirements that vary by region, country, and industry. We fully comply with all regulatory requirements. IFF is adopting and implementing the Globally Harmonized System of Classification and Labeling of Chemicals, which provides a consistent approach to the labeling of the products we send to our customers. See responses to PR3 and PR5 below.
	Marketing communications	Partially	We do not market nor advertise our products to consumers. Our flavors and fragrances are designed exclusively for our customers, in a business-to-business relationship. We do not sell products that are banned.

Standard Disclosures Part III: Performance Indicators

Key to Indicators: ■ Fully Reported ■ Partially Reported

Performance Indicator	Description	Level Reported	Cross-reference/Direct answer
ECONOMIC			
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partially	pg. 2, Our Company; pg. 56, IFF 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	pg. 3 From Our Chairman; pg. 27, Our Impact; pg. 46, Our Sources; pg. 76, How We Govern; pg. 18, 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	pp. 77-86, IFF 2012 Form 10-K, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC4	Significant financial assistance received from government.	Fully	IFF is a public corporation and does not receive material financial assistance from governments.
Market presence			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	pp. 70-71, Our People.
ENVIRONMENTAL			
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	pg. 29, Our Impact.
EN4	Indirect energy consumption by primary source.	Fully	pg. 29, Our Impact.
EN5	Energy saved due to conservation and efficiency improvements.	Fully	pp. 29, 31-33, Our Impact.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	pp. 9-14, Our Products; and pp. 27, 31-33, Our Impact.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	pp. 29, 31-33, Our Impact.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
Water			
EN8	Total water withdrawal by source.	Partially	pp. 28, 30, 32-33, Our Impact. In 2010, we used 8,209,327 cubic meters of water; 6,811,064 cubic meters of water in 2011; and 5,895,317 cubic meters of water in 2012. In addition, we began tracking wastewater this year, and are working on expanding the scope of our reporting to include water use by type in the future.
EN10	Percentage and total volume of water recycled and reused.	Partially	pp. 32-33, Our Impact. We do not currently track the amount of water which we reuse/recycle but are working toward that capability.
Biodiversity			
EN13	Habitats protected or restored.	Partially	pp. 37, Our Impact.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	pp. 46-55, Our Sources.
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	pp. 28, 30, Our Impact.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	pp. 9-14, Our Products; and pp. 27-28, 30, 32-34, Our Impact.
EN22	Total weight of waste by type and disposal method.	Partially	pp. 29, 31, 32-33, Our Impact. We currently track hazardous waste. We are working on expanding the scope of our reporting to include non-hazardous waste in the future. Pg. 29, 31, Our Impact. Based on this year's ISOS verification and to improve accuracy and consistency, we have updated and restated our hazardous waste data for 2010, 2011 and 2012.
EN23	Total number and volume of significant spills.	Fully	We experienced no significant spills in 2012.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	We do not import hazardous waste from outside locations nor do we transport it from one IFF site to another. All of our hazardous waste is handled in accordance with country regulations.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	pp. 8, 9, 13, Our Products; pg. 34, Our Impact.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	We had no non-monetary sanctions and no cases brought through dispute resolution mechanisms.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	<p>pg. 14, Our Products. IFF conducted a life-cycle assessment of four of our products, which included these products raw materials and product transport.</p> <p>For one EU-based global customer, IFF conducted a joint logistics analysis of road transports and implemented changes which reduced trips by approximately 3%. Another example is how our Tilburg manufacturing facility reduced transportation requirements by delivering materials in bulk via tanker truck rather than in individual drums.</p>
SOCIAL: LABOR PRACTICES AND DECENT WORK			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	<p>pg. 2, Our Company. As of April 2013, Global: 5,819 (approximately 5,800): North America (NA): 1,403 (24%) - Male: 884 (63%), Female: 519 (37%); Latin America (LatAm): 731 (13%) - Male: 472 (65%), Female: 259 (35%); Greater Asia (GA): 1,713 (29%) - Male: 1,144 (67%), 569 (33%); Europe, Africa, Middle East (EAME): 1,972 (34%) - Male: 1,207 (61%), Female: 765 (39%).</p> <p>North America (NA): 882 (62.9%) - Full Time Male, 2 (0.1%) - Part Time Male, 515 (36.7%) - Full Time Female, 4 (0.3%) - Part Time Female Latin America (LatAm): 471 (64.4%) - Full Time Male, 1 (0.1%) - Part Time Male, 256 (35.0%) - Full Time Female, 3 (0.4%) - Part Time Female Greater Asia (GA): 1143 (66.7%) - Full Time Male, 1 (0.1%) - Part Time Male, 562 (32.8%) - Full Time Female, 7 (0.4%) - Part Time Female Europe, Africa, Middle East (EAME): 1179(59.8%)-Full Time Male, 28(1.4%)-Part Time Male, 596 (30.2%) - Full Time Female, 169 (8.6%) - Part Time Female</p>
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	<p>Companywide total turnover rate: 8.8% Companywide voluntary turnover rate: 5.2% Turnover and voluntary by region: North America (NA): 6.0%, Voluntary: 2.9%; Latin America (LatAm): 14.5%, Voluntary: 6.4%; Greater Asia (GA): 11.2%, Voluntary: 8.4%; Europe, Africa, Middle East (EAME): 6.6%, Voluntary: 3.7%. Turnover by gender: 169 (71.3%) - Male, 68 (28.7%) - Female Turnover by age: 72 (30.4%) - 20-30, 81 (34.2%) - 31-40, 50 (21.2%) - 41-50, 27 (11.4%) - 51-60, 7 (3.0%) - 60+</p>
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	25%, 1,426 employees
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Every IFF site has in place a safety committee that meets regularly. Some of these committees have both manager-level and employee members; others are made up of just management or just employees.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	<p>pg. 36, Our Impact. The total recordable accidents per 100 employees in 2011 was stated as 1.26 in IFF's 2011 Sustainability Report "Seeds of Growth." Two incidents have been reclassified since then increasing this value to 1.29.</p> <p>Injury Rate (Total Recordable Accidents): Global: 0.99 per 100 employees.</p> <p>By region:</p> <ul style="list-style-type: none"> North America (NA): 1.79 Latin America (LatAm): 0.83 India/Asia Pacific: 1.03 Europe: 1.65 AC Plants: 0.80 Creative Centers: 0.51 Sales Offices: 0.00 <p>Lost Day Rate (Lost Work Days): Global: 6.80 per 100 employees. By region:</p> <ul style="list-style-type: none"> North America (NA): 8.70 Latin America (LatAm): 7.68 India/Asia Pacific: 8.67 Europe: 9.82 AC Plants: 4.75 Creative Centers: 4.59 Sales Offices: 0.00 <p>Fatalities: 0</p> <p>IFF does not currently track this data in the manner requested by GRI (Occupational Diseases, Absentee rate by region or globally employment type, Injury Rate or Lost Day Rate by gender) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.</p>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	<p>Employees at IFF enjoy a comprehensive package of employee benefits, with some locations offering options relevant to their market conditions and local practices. As a company increasingly focused on providing products for our customers that promote health and wellness, we are likewise focused on promoting healthy lifestyles among our employees. In North America, for example, we offer a "For the Health of It" employee wellness program designed to promote and reward preventative care and healthy lifestyle practices and help reduce health costs for both employees and IFF. The program includes targeted behavior programs, health challenges, online health webinars and preventative care. To further encourage physical fitness and combat the negative impact of lifestyle diseases, the IFF Flavors Plant in South Brunswick, New Jersey, opened an expanded employee gym in 2012. Around the world, IFF sites have programs and activities, tailored to local needs, that encourage employees to take responsibility for their own fitness, health, and wellness. In South Africa we launched the "Ask Nelson, your friend in wellness" campaign in September 2012. This program gives employees and their family members access 24 hours a day / 7 days a week to a telephonic counseling service that can assist with financial advice, legal advice, stress, depression, relationships, and addictions as well as provide managerial support for managers who are struggling with any aspect of management.</p> <p>Many of our facilities around the world provide on-site dining experiences that offer healthy dining options with fresh fruits and vegetables. In the U.S. we offer an Employee Assistance Program (EAP) with counseling services for mental/emotional well-being, support services for families with child-care/substance abuse/elderly family health and/or lifestyle services, legal and financial services, tips and education for natural disaster support, seasonal healthy lifestyle choices, and other issues.</p>

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	pp. 70-71, Our People. To date, we have not tracked total hours of training, but we are installing a learning management system that should enable us to report on this metric in the future.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	pp. 70-71, Our People. In North America we provide annual seminars on our 401(k) plans and associated issues related to retirement planning. Outplacement counseling services are provided to employees in the U.S. who are involuntarily separated from the company.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	100% of "eligible" employees (i.e., nearly all employees except those who are union members, or approximately 80% of our workforce) receive regular yearly performance appraisals. 75% of our employees had a defined development plan in 2012.
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	<p>pg. 64, Our People. In 2012, IFF's Board of Directors had 11 directors, three of whom were women. Breakdown of employees overall: North America (NA): 1,403 (24%) – 63% Male – 37% Female; Latin America (LatAm): 731 (13%) – 65% Male – 35% Female; Greater Asia (GA): 1,713 (29%) – 67% Male – 33% Female; Europe, Africa, Middle East (EAME): 1,972 (34%) – 61% Male – 39% Female.</p> <p>IFF does not currently track this data in the manner requested by GRI (by age group and minority group membership) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.</p>
SOCIAL: HUMAN RIGHTS			
Investment and procurement practices			
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	pp. 47-48, Our Sources; and pg. 78, Our Ethics.
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	No IFF operations have been identified as at risk for prohibiting freedom of association or collective bargaining. Further, IFF requires that all of our vendors comply with our Vendor Code of Conduct which requires that vendors respect the right of their employees to form and join trade unions and to bargain collectively. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	No IFF operations have been identified as having a risk for incidents of child labor. Further, IFF requires that all of our vendors comply with our Vendor Code of Conduct which requires compliance with appropriate regulations and guidelines regarding minimum legal age of employees. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	No IFF operations have been identified as having a risk for incidents of forced or compulsory labor. Further, IFF requires that all of our vendors comply with our Vendor Code of Conduct which prohibits the use of involuntary labor of any kind, including prison labor, debt bondage, indentured servitude or forced labor. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.
SOCIAL: SOCIETY			
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	pg. 37, Our Impact; pg. 82, Our Ethics; and pp. 47-55, Our Sources.
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Partially	IFF does not lobby nor participate in public policy development independently. We work through both industry trade associations (IFRA, IOFI, etc.) or through our customers' trade associations. The core position of the industry is that our products are safe for their intended use. This assurance is determined through a science-based, safety risk assessment utilizing validated scientific methods and experts. There are no significant differences between our industry lobbying efforts and stated policies and IFF's goals or public positions.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	IFF does not make monetary contributions to political candidates or campaigns.
SOCIAL: PRODUCT RESPONSIBILITY			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	pg. 12-15, Our Products.
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	All of our products are subject to labeling requirements that vary by region, country, and industry. We fully comply with all regulatory requirements. IFF is adopting and implementing the Globally Harmonized System of Classification and Labeling of Chemicals, which provides a consistent approach to the labeling of the products we send to our customers.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Our products are developed solely for the business-to-business market. Therefore, we do not have a system in place to measure satisfaction of the end consumer. However, we do have a robust system for measuring on-time performance (OTP) for all IFF shipping locations. If IFF does not meet the customer's first requested ship date, it is a penalty against the plant. OTP is a standard metric that is monitored daily by all facilities. IFF's Consumer Insights programs are designed to understand consumer experiences, preference, and the emotional bond between fragrances, flavors, and consumers. These insights drive us to create fragrances and flavors that people love, both within and across critical global markets.

Marketing communications

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	We do not market nor advertise our products to consumers. Our flavors and fragrances are designed exclusively for our customers, in a business-to-business relationship. We do not sell products that are banned.
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EXTERNAL ASSURANCE STATEMENT

Independent assurance statement by ISOS Group ["ISOS"]
to the management of International Flavors & Fragrances Inc. ["IFF"]
on the 2012 Sustainability Report.
GRI Application Level: B+

Scope

ISOS Group ["Assurance Provider"] has been commissioned by the management of International Flavors & Fragrances, Inc. to carry out an external assurance of IFF's 2012 Sustainability Report ["Report"] for the year ended December 31, 2012.

The scope of the assurance covered economic, social and environmental key performance data, both quantitatively and qualitatively expressed on behalf of IFF's global operations. Any financial information already verified by an external auditor has been excluded from the scope of this assurance engagement.

The review was conducted based on the Report content and supporting documentation made available during the assurance engagement period (March 2013- May 2013).

As part of IFF's second verification year, web-based meetings, online demonstrations of reporting databases, interviews with key personnel, and a more in-depth analysis of site specific data and controls was integrated in the scope of this assurance engagement.

Objectives

The objective of the assurance engagement was to independently express conclusions on the subject matter as defined within the scope of work above, validate claims, evaluate systems for collecting and reporting data, and attest to improvements made to the reporting process over the last year. All evaluative tasks were aimed at confirming IFF's adherence to the GRI G3.1 requirements for Application Level B+.

Criteria and Level of Assurance

The Assurance Provider carried out limited assurance by evaluating the Report's adherence to GRI's reporting principles for Quality, Content and Boundary Setting and AA1000 Assurance Standard's (2008) ["AA1000AS"] principles of Inclusivity, Materiality and Responsiveness in determining credibility of underlying processes and stakeholder engagement.

In evaluating environmental metrics, particularly with regards to IFF's greenhouse gas emission assertions, verifiers were informed by the GHG Protocol, (WBCSD/WRI, 2004), ISO 14064-3 (Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions), and CDP Guidance for Responding Companies-as many disclosures are mirrored in the CDP. A materiality threshold of 5% of the GHG emissions assertions was used for this review.



Methodology

As part of the assurance engagement, the Assurance Provider verified the sustainability-related statements and claims made in the Sustainability Report, including internal processes, controls and supporting documentation supplied by IFF, or found in the public domain.

To form our conclusions, we undertook the following activities:

- ✓ Reviewed key information systems, procedures and controls relating to the collection, aggregation and reporting processes of the selected performance indicators;
- ✓ Performed process interviews with IFF's reporting team and data management partners to verify consistency in management approach for determining materiality, delegating reporting tasks, risk detection and internal quality control procedures;
- ✓ Conducted online investigations of public records to determine legitimacy of IFF's assertions regarding performance;
- ✓ Reviewed several drafts of the Sustainability Report along with supporting and original source data and followed up by providing IFF with a list of discrepancies that might affect communication to stakeholders;
- ✓ Performed an in-depth review of the Sustainability Report to verify the Application Level's alignment with the GRI G3.1 Sustainability Reporting Guidelines requirements.

The procedures selected are based on the Assurance Provider's professional judgment. Although only twenty material key performance indicators are required for a GRI B level report, this external assurance statement is the result of a more comprehensive independent review.

An initial readiness assessment allowed IFF to provide supplemental documentation for review by the Assurance Provider and consequently implement corrective actions for discrepancies detected. Once a revised draft was delivered to the Assurance Provider, final results were confirmed for each assessment task-credibility check, quantitative and qualitative Reviews.

Conclusions

Based on the assurance procedures conducted, nothing has come to our attention that causes us to believe that IFF's sustainability-related strategies and key performance indicators defined in the 2012 Report are materially misstated. In view of the sustainability Report, along with supplemental documentation supplied to the Assurance Provider, we confirm that the GRI requirements for Application Level B+ have been met.

IFF has made significant improvements in managing and reporting its sustainability performance during 2012, by expanding its sustainability team to include key personnel charged with managing sustainability data and strengthening stakeholder relationships. For the next years, further formalizing internal controls and policies will promote a more structured approach across the organization's operations. With continued focus on the supply chain, broader reporting on how IFF manages and mitigates associated sustainability risks, would help stakeholders better understand material impacts.



Our Responsibility

In performing our assurance activities, our responsibility is to the management of IFF. However, our statement represents our independent opinion and is intended to inform all stakeholders, internal and external to the Company. We are committed to expressing an opinion based on our work performed as to whether any issues have come to our attention, causing us to believe that the reported information has not been prepared in accordance with relevant voluntary sustainability reporting criteria.

IFF's sustainability reporting team holds responsibility for the collection, analysis, aggregation and presentation of information within the Report. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. The Assurance Provider and IFF agreed to uphold confidentiality arrangements between the two entities regarding correspondence and data exchange.

Statement of Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Reporting Initiative (GRI) and the CDP, which includes assurance and verification of data therein. The Assurance Provider's independent team members have not been involved in the development of the Sustainability Report nor have they been associated with IFF's data collection or management processes.

ISOS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of competencies can be found at: www.isosgroup.com.

Signed on behalf of ISOS Group

San Diego | May 16, 2013

Nancy Mancilla
Project Lead

Handwritten signature of Nancy Mancilla in black ink.

Alexandru Georgescu
Quantitative Analysis Lead

Handwritten signature of Alexandru Georgescu in black ink.