

A person wearing a red jacket and a brown hat stands on a rocky shore, looking out at a massive, blue-tinted glacier. The glacier is the central focus of the image, with a person in a red jacket standing on a rocky shore in the foreground, looking out at the water and the glacier. The overall color palette is dominated by blues and greys, with the red jacket providing a strong contrast.

FOR

FOR A BETTER WORLD

SUSTAINABILITY REPORT 2020

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YEAR IN REVIEW

2020

IFF shareholders voted to approve the merger of IFF and DuPont's Nutrition & Biosciences with more than 99% of the votes cast in favor



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Named for the first time to the Dow Jones Sustainability Indices (DJSI) for both the 2020 World and North America, placing IFF among the top 10% of sustainability performers in the world¹

A Lister

Named to CDP's A lists for climate change and water security for the sixth and third consecutive year, respectively, and named a CDP Supplier Engagement Leader for the first time



Continued to advance our commitment to climate action, including powering more than 50% of our operations' electricity requirements with renewable energy



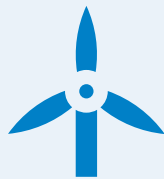
First company to earn Economic Dividend for Gender Equality (EDGE) Move level certification globally, following individual assessments in 21 countries



Honored by the Human Rights Campaign as a Best Place to Work for LGBTQ Equality for the second consecutive year after receiving a perfect score of 100 on the 2020 Corporate Equality Index



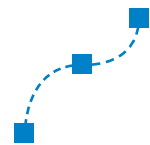
Named to Barron's 100 Most Sustainable Companies in America list for the fourth consecutive year



Awarded the 2020 EcoVadis platinum sustainability rating, a new and more highly selective designation that places IFF among the top 1% of companies assessed



Named to the FTSE4Good Index Series and Euronext Vigeo World 120 Index for environmental, social and governance (ESG) performance



Expanded blockchain technology as a tool for ensuring ingredient traceability and transparency in the vanilla supply chain in Madagascar

Newsweek

Ranked 18 out of 399 companies – and first out of 42 companies in the Materials Industry – on America's Most Responsible Companies 2021 list by Newsweek

DEI DISABILITY EQUALITY INDEX

Named among the 2020 Best Places to Work for Disability Inclusion by Disability:IN after scoring 100% on the Disability Equality Index

S&P Global

Included in The Sustainability Yearbook 2021 by S&P Global, reflecting sustainability performance within the top 15% of our industry

DiversityInc

Listed among the 2020 Noteworthy companies by DiversityInc, the premier U.S.-based diversity and inclusion publication



Andreas Fibig
Chairman and
Chief Executive Officer

A MESSAGE FROM OUR CHAIRMAN

...FOR A BETTER WORLD

Last year, when we envisioned the new IFF and what it would stand for once our historic combination with DuPont N&B was complete, we knew our purpose would have to be as bold as the merger itself. Nothing else would do. Our commitment to our employees, customers and stockholders was bigger – better than anything we’d ever attempted before. We’re “applying science and creativity...*for a better world.*”

There is no aspiration higher or clearer when describing the purpose of a company, especially one as committed to sustainability as IFF, and especially in times such as these.

For a year and a half, the global community has pitched in to lend a helping hand while facing the ongoing ramifications of the pandemic. Though the business challenges often pale in the face of the challenges to humanity, we have worked on multiple levels to ensure the health and wellbeing of our employees and stakeholders throughout the value chain remain paramount.

We manufactured and supplied hand sanitizer and sent PPE to frontline healthcare workers and first responders in towns and cities around the world. We shuttered offices and switched to a work from home model where we could, and recalibrated our manufacturing teams to ensure we would be able to continue production safely and without compromise. Along with other adjustments, we nimbly responded to the increased demand for cleaning and sanitation products by safely ramping up production of consumer fragrances to ensure our customers and their consumers would continue to have access to essential cleaning products.

Whether through taste or scent experiences or with product ingredients, we pushed past traditional boundaries to creatively work with partners as we strove to *do more good* in our communities and advance our sustainability goals globally, specifically our 2025 EcoEffective+ ambitions. Today, we remain on track to achieving these aspirations, including our approved science-based target to reduce our absolute greenhouse gas emissions (GHGs) by 30% below 2015 levels and to achieve zero waste to landfill status for all of our major manufacturing facilities.

To support our customers in responding to consumer expectations for increased product transparency, 2020 also saw us building deeper stakeholder relationships to magnify a collective impact. This was keenly exemplified when we worked with a key customer, partner and an innovation consortium to expand our blockchain technology in the vanilla supply chain in Madagascar. By ensuring ingredient traceability and transparency, this solution has helped us build stronger relationships with our smallholder farmers and provide even more opportunities for their increased financial security.

We are strong believers that sustainable innovation starts in our own backyard. To that extent, we developed and launched the Upcycled Collection of high-quality extracts made from several types of side streams from our own manufacturing processing and discarded vegetal materials.

Through upcycling, identifying renewable and biodegradable feedstocks, using green chemistry and more, we serve as an essential partner to those customers looking to embrace circular design principles and expand certified ingredients in their products. Currently, LMR Naturals by IFF offers more than 60 certified organic products and nearly 50 For Life certified ingredients. We have also reached the industry-leading position of having nearly 150 natural extracts in our portfolio certified Expertise Vegan Europe (EVE VEGAN[®]). We are very happy to report that we achieved our 2020 goal on time of having 100% of the palm oil used in our products be certified according to the RSPO Mass Balance Supply Chain Model.

However, we couldn't achieve these advancements by ourselves. We work very closely with our suppliers to ensure quality products and ethical practices across our supply chain. Through our Responsible Sourcing Program, we recently introduced suppliers to our Responsible Sourcing Policy that outlines our expectations regarding raw materials. We're also requiring key suppliers be assessed through third-party entities, such as EcoVadis, a practice that we also follow in our role as a valued supplier to our own customers. In 2020, we were thrilled to receive the EcoVadis platinum medal in recognition of our efforts, placing us among the top 1% of companies assessed in environment, labor and human rights, ethics and sustainable procurement. We were also recognized for the first time on the CDP Supplier Engagement Leaderboard for our work in helping suppliers reduce their GHGs and raise climate ambitions across the value chain.

The rigorous standards we set for ourselves and for those in our value chain are touchstones we are proud of. Not only do they keep us accountable, they constantly push us to reinvent new ways of being circular by nature and transparent in practice – no matter what challenges we face.

Our continuous improvement in multiple areas was lauded last year when we were named to the 2020 Dow Jones Sustainability Indices (DJSI) for the first time. Among the top 10% sustainably performers, globally, we listed on the DJSI World benchmark and benchmarked in North America as well. Additionally, we placed on the FTSE4Good and Euronext Vigeo's World 120 indices, ranked with Barron's 100 Most Sustainable Companies in America for the fourth consecutive year, and received CDP's A-list rating on climate change and water security for the sixth and third consecutive year, respectively.

Even as we are recognized for our good work, without transparency validation means very little. To provide our investors and other vested parties a clean line of sight into our environmental social governance model, we've aligned with the Sustainability Accounting Standards Board (SASB) guidelines and responded to SASB for the second consecutive year. For the first time, this 2020 report also includes new disclosures on climate-related risks in line with the Task Force on Climate-related Financial Disclosures (TCFD).

As we look towards our next iteration of sustainability targets, assessing the most impactful socio-environmental issues will inform our strategies around reducing GHGs, leveraging a viable building model to transition to a net zero economy and, just as importantly, continuing to build on our diversity, equity and inclusion (DE&I) efforts among our global workforce.

2020 was a transformative year that brought equity and social justice challenges to the forefront. Internally, IFF mobilized across the spectrum. From Black and African American employees launching colleague communities (also known as employee resource groups) in the U.S. and Brazil to leadership reaffirming racism has no place within our walls, we took important steps forward to provide safe spaces for authentic discussions. Our expectation has always been that we treat each other with integrity – a core IFF value rooted in respect and honesty – and we are taking actions to elevate an inclusive and representational culture throughout our organization.

Overall, we are advancing our DE&I commitments on a global scale. With our 2020 Global EDGE Move certification, we are unique in our industry in achieving this distinction in gender equality. IFF was also named a Disability Equality Index 2020 Best Place to Work for Disability Inclusion for the first time, as well a Best Place to Work for LGBTQ Equality by the Human Rights Campaign for the second consecutive year after receiving a perfect score of 100 on the 2020 Corporate Equality Index.

Our work with people and planet is distinctly intertwined. We support and align with established guideposts such as the 10 principles of the U.N. Global Compact, the U.N. Sustainable Development Goals and the Paris Agreement to address the climate emergency. We are also proud to collaborate with like-minded innovators and coalitions committed to the same goals, including the Horizon 2020 research initiative and Business for Nature's Call to Action on biodiversity and nature loss.

Our merger with DuPont N&B earlier this year has entirely reimagined who we are as IFF, notably in relation to the opportunities we see for green growth and sustainable innovation. Already we're working on a new, robust sustainability strategy, which will include even more ambitious aspirations and aggressive markers. With our combined strengths, we are poised to deliver an expanded suite of capabilities from across IFF that will provide end-to-end solutions for our customers, our industries and the market to help create...*a better world.*

Wishing you a safe, healthy and sustainable 2021.



Andreas Fibig
Chairman and Chief Executive Officer

**FOR A
BETTER
WORLD**



WHERE SCIENCE AND CREATIVITY MEET

Not just bigger, but better.

IFF's new brand identity and tagline – *Where science and creativity meet* – emphasizes our longstanding focus on the dynamic interplay between artistry and science and ultimately backs all the industry-leading solutions we deliver to customers. Our purpose – *Applying science and creativity for a better world* – inspires us to push past traditional industry boundaries and prompt sustainability-driven change. Our vision – *Be the partner for essential solutions* – reflects our vital leadership role in the global value chain and commitment to taking a deeply customer-centric approach to everything we do.

As part of our commitment to Question Everything, Champion Creators and Do More Good, we are seeking new discoveries at every opportunity, challenging the status quo and empowering others to convert ideas into impact.

The new IFF is an extraordinary combination, built to deliver unexpected results. Joining science and creativity, we're ready to do more good for people and planet.

[EXPLORE THE NEW IFF](#) ►



HOPE 2020

COVID-19 created an unprecedented challenge for the world, but also inspired many new opportunities. At IFF, our teams mobilized to support front line healthcare workers and first responders across our global network. For example:

- In a single day, our North America Taste team reconfigured production lines to produce and bottle 2.5+ tons of hand sanitizer for health facilities in need
- We partnered with one of the largest distillers in North America to produce 20,000+ gallons of hand sanitizer with a new IFF scent, HOPE 2020 for local hospitals
- Across Europe and South America, we worked with suppliers, customers and other partners to manufacture and distribute bottles of sanitizing gel to hospitals and low-income communities
- We partnered with Harvard Medical School, Massachusetts General Hospital and others to create the first early detection smell test for asymptomatic carriers of COVID-19

As we witnessed the selfless sacrifice of those fighting to protect us, we were proud to support their important efforts.

[EXPLORE OUR CONTRIBUTION](#) ►



RESPONSIBLY SOURCING VANILLA

Madagascar is one of the largest producers of vanilla, popularly used for a wide variety of sweet and aromatic applications. Yet the supply chain in this region faces significant environmental, social and economic challenges – from deforestation and slash-and-burn agriculture to widespread poverty among smallholder farmers.

Ensuring ethical practices in our supply chain means reducing our environmental impact and supporting workers and grower communities. To support vanilla farmers, LMR Naturals by IFF worked closely with a key customer and a partner to expand blockchain technology as a tool for ensuring ingredient traceability. This solution makes it possible to accurately trace the flow of raw materials, helping farmers build a bridge from crop to consumer in an inviolable manner that increases trust, transparency and financial security. Combined with our Fair for Life certified optimization program and accompanying community support activities, this tool helps support a sustainable vanilla supply chain that is improving the livelihoods of local farmers and their families.

[EXPLORE OUR BLOCKCHAIN](#) ►

**FOR A
BETTER
WORLD**



ABOUT IFF

Who We Are

IFF is a leading innovator in food, beverage, scent, health and biosciences. Our creative capabilities, global footprint and regulatory and technological know-how provide us a competitive advantage in meeting the demands of our global, regional and local customers around the world.

OUR PURPOSE

APPLYING SCIENCE AND CREATIVITY FOR A BETTER WORLD.

Our purpose inspires us to push past traditional industry boundaries and commits us to be a force for a better and more sustainable future.

OUR BRAND IDENTITY

WHERE SCIENCE AND CREATIVITY MEET.

IFF's new brand identity and tagline emphasizes our longstanding focus on the dynamic interplay between artistry and science, underscoring the industry-leading solutions that we deliver to customers.

OUR VISION

BE THE PARTNER FOR ESSENTIAL SOLUTIONS.

With this simple statement, IFF declares that we intend to play a vital leadership role in the global food, beverage, beauty, household, personal care and pharmaceutical value chains, and we are committed to taking a deeply stakeholder-centric approach to everything we do.

OUR PILLARS

QUESTION EVERYTHING. CHAMPION CREATORS. DO MORE GOOD.

As a purpose-driven organization, we encourage all IFFers to seek new discoveries at every opportunity, constantly challenge the status quo and empower others to convert ideas into impact.

OUR VALUES AND PRINCIPLES

Our values of empowerment, expertise, integrity, innovation and responsibility are fundamental beliefs that guide individual behavior. Our cultural principles focused on ownership, agility and collaboration are the behaviors that bring our purpose, vision and values to life.



IFF is headquartered at 521 West 57th Street, New York, New York, U.S.A. Detailed information about the scale of our organization, operational structure, markets served and geographical footprint is available in our 2020 Annual Report and U.S. Securities and Exchange Commission Form 10-K (collectively, "[2020 Annual Report](#)").

What We Do

For the period covered by this report – calendar year 2020 – we operated our business across two segments: Taste and Scent. As a leading creator of flavor offerings, we help our customers deliver on the promise of delicious and healthy foods and drinks that appeal to consumers. Our global Scent business creates fragrance compounds and fragrance ingredients that are integral elements in the world's finest perfumes and best-known household and personal care products.

The taste and scent industries are part of a larger market that supplies a wide variety of ingredients and compounds used in consumer products. The broader market includes functional foods and food additives, including seasonings, texturizers, spices, enzymes, certain food-related commodities and fortified products, as well as nutritional ingredients, supplements and active cosmetic ingredients.

As of December 31, 2020, we had 242 manufacturing facilities, creative centers and application laboratories located in 47 different countries, and approximately 13,700 employees worldwide, with nearly 2,000 employed in the United States.

TASTE

Our Taste business comprises a diversified portfolio across flavor compounds, savory solutions, inclusions, nutrition and specialty ingredients and flavor ingredients.

- *Flavor compounds* are used by our customers in the following end-use categories:
 - Savory products (soups, sauces, meat, fish, poultry, snacks, etc.)
 - Beverages (juice drinks, carbonated or flavored beverages, spirits, etc.)
 - Sweets (bakery products, candy, cereal, chewing gum, etc.)
 - Dairy products (yogurt, ice cream, cheese, etc.)
- *Savory solutions* include marinades or powder blends of flavors, natural colors, seasonings, functional ingredients and natural antioxidants that are primarily designed for the meat and fish industry.
- *Inclusions* provide taste and texture by, among other things, combining flavorings with fruit, vegetables and other natural ingredients for a wide range of food products, such as health snacks, baked goods, cereals, pastries, ice cream and other dairy products.

13,700

Employees Worldwide



\$5.1 Billion

in Sales



7.0% of Sales

Spent on R&D



\$730 Million

in Adjusted
Operating Profit*



\$363.2 Million

in Net Income



About IFF

- *Nutrition and specialty ingredients* primarily consist of natural health ingredients, natural food protection, natural colors and flavor ingredients. These ingredients are used in dietary supplements, functional food, infant and elderly nutrition, cosmetics, personal care and other over-the-counter products.
- *Flavor ingredients* (including natural flavor extracts, specialty botanical extracts, distillates, essential oils, citrus products, aroma chemicals and natural gums and resins) are used for food, beverages and flavors, and are often sold directly to food and beverage manufacturers who use them in producing consumer products.

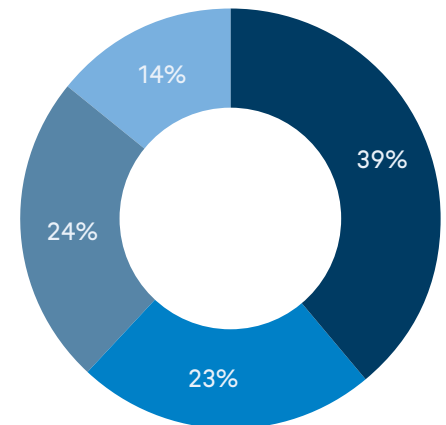
SCENT

Our global Scent business creates fragrance compounds and fragrance ingredients that are integral elements in the world's finest perfumes and best-known household and personal care products. Fragrance compounds are unique and proprietary combinations of multiple ingredients that are ultimately used by our customers in their consumer goods. Our creative and commercial teams within fragrance compounds are organized into two broad categories, fine fragrances and consumer fragrances.

- *Fine fragrances* focus on perfumes and colognes. Our scientists and perfumers collaborate to develop new molecules, new natural extractions and innovative processes to create unique and inspiring fragrances
- *Consumer fragrances* include three end-use categories of products:
 1. Fabric care, including laundry detergents, fabric softeners and specialty laundry products
 2. Home care, including household cleaners, dishwashing detergents and air fresheners
 3. Body care, including personal wash, hair care and toiletries products

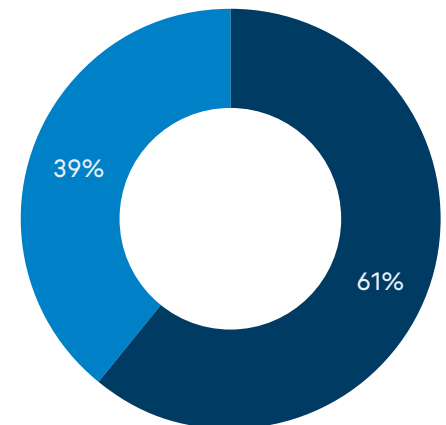
Fragrance ingredients consist of natural and synthetic, and active and functional ingredients that are used internally and sold to third parties, including competitors for use in the preparation of compounds.

PERCENTAGE OF 2020 SALES BY REGION



- Europe, Africa, Middle East
- Greater Asia
- North America
- Latin America

PERCENTAGE OF 2020 SALES BY BUSINESS SEGMENT



- Taste
- Scent

External Initiatives, Memberships & Associations

We are members of a number of organizations and associations for our industry, including, among others, the following (parentheses indicate leadership positions held):

<u>American Chemical Society</u>	
<u>The American Cleaning Institute</u>	
<u>Association for Chemoreception Sciences</u>	
<u>Cosmetic Executive Women</u>	(Board of Governors)
<u>The Flavor and Extract Manufacturers Association</u>	(Board of Governors)
<u>Fragrance Creators Association</u>	(Board of Directors)
<u>The Fragrance Foundation</u>	(Board of Directors)
<u>Household and Commercial Products Association</u>	
<u>The International Federation of Essential Oils and Aroma Trades</u>	
<u>International Fragrance Association</u>	(Board of Directors)
<u>International Organization of the Flavor Industry</u>	(Board of Directors)
<u>Monell Chemical Senses Center</u>	
<u>Personal Care Products Council</u>	(Board of Directors)
<u>Research Institute for Fragrance Materials</u>	(Board of Directors)
<u>The Society of Flavor Chemists</u>	

We also engage in the following sustainability-related organizations and partnerships:

<u>Disability:IN Inclusion Works</u>	
<u>EcoVadis</u>	
<u>North American Sustainable Palm Oil Network (NASPON)</u>	
<u>Rainforest Alliance</u>	
<u>Roundtable on Sustainable Palm Oil (RSPO)</u>	
<u>Sedex</u>	
<u>Together for Sustainability</u>	
<u>Union for Ethical BioTrade¹</u>	
<u>United Nations Global Compact</u> and <u>Global Compact Network USA</u>	
<u>Upcycled Food Association²</u>	
<u>World Business Council for Sustainable Development (WBCSD)</u>	(Executive Committee and Operating Committee)

About IFF

We formally support the following initiatives:

[Business for Nature](#)

[CEO Action for Diversity & Inclusion™](#)

[CEO Water Mandate](#)

[CDP](#)

[RE100](#)

[Science Based Targets](#)

[The Valuable 500](#)

[U.N. Business Ambition for 1.5°C: Our Only Future pledge](#)

[U.N. Global LGBTI Standards of Conduct for Business](#)

[U.N. Women's Empowerment Principles](#)

[We Are Still In](#)

LEADING
POSITIVE
CHANGES



OUR COMMITMENT TO SUSTAINABILITY

Our world faces unprecedented challenges, including the climate emergency, nature loss and mounting inequality, exacerbated by the COVID-19 crisis. Global progress on tackling these issues remains significantly off track and key tipping points are now being reached. The pandemic has shown us how environmental and social systems are critically interconnected. The decade ahead represents a final window of opportunity to correct course and achieve the United Nations (U.N.) 2030 Agenda for Sustainable Development and to ensure that 9+ billion people can live well, within planetary boundaries, by 2050.

Sustainability Strategy

We have redefined the way we envision sustainability to embrace a circular economy model. Restorative and regenerative by design, this approach is key in safeguarding the wellbeing of consumers, the health of our planet and the integrity of our business.

In line with our purpose of applying science and creativity for a better world, our sustainability strategy is made up of four key pillars – or the areas where we believe we can use our influence to contribute the most to global sustainable development challenges:

- **Reducing our Environmental Footprint**
We seek to leverage synergies to reduce our operational impact in ways that will mitigate climate change, conserve water and reduce waste.
- **Strengthening Responsible Sourcing**
We seek to ensure ethical practices in our supply chain, reduce impact to the environment and support workers and grower communities.
- **Driving Sustainable Innovation**
We seek to embed regenerative approaches and circular design principles into our products, processes and research and development (R&D) pipeline.
- **Embracing People & Communities**
We seek to nurture an inclusive and safe culture where we celebrate diversity and give back to the communities where we source and operate.

U.N. Sustainable Development Goals (SDGs)

Our sustainability strategy is guided by the 17 SDGs, which represent a common framework through which the public and private sectors can work together to identify transformational opportunities to achieve the 2030 Agenda for Sustainable Development. In 2016, in partnership with the World Business Council for Sustainable Development, we utilized the **SDG Compass** to assess the positive and negative impacts that our business activities have on the SDGs across our value chain. From this analysis, we identified the SDGs that are most relevant to our business and where we feel we can have the most impact. In 2020, we refreshed this analysis and continued to make progress in our work to support the SDGs most aligned with each pillar of our sustainability strategy.

- To contribute to SDG 5, we are:
 - Affirming our commitment to gender parity by achieving Economic Dividends for Gender Equality (EDGE) Move certification globally, following country-level certifications in 21 countries (see **People & Communities, page 71**)
 - Aligning with initiatives for the promotion of gender equality and the empowerment of women by signing the U.N. Women's Empowerment Principles (see **People & Communities, page 71**)
- To contribute to SDG 12, we are:
 - Tackling food waste and food loss by developing upcycled ingredients that utilize waste side streams from manufacturing processes (see **Sustainable Innovation, page 59**)
 - Supporting the environmentally sound use of chemicals through a strong governance framework for product responsibility (see **Governance & Compliance, page 91**)
 - Reducing our own waste generation at major manufacturing facilities (see **Environmental Footprint, page 33**)
 - Encouraging our suppliers to integrate sustainability information into their reporting cycle as part of our science-based target for emissions reductions (see **Environmental Footprint, page 33**)
 - Building awareness of sustainable development and helping to facilitate sustainable patterns of consumption and production through our community programs (see **Responsible Sourcing, page 45**)



Our Commitment to Sustainability

- To contribute to SDG 13, we are:
 - Integrating climate change measures into our strategies and planning, such as increasing our use of renewable energy at our facilities (see [Environmental Footprint, page 33](#))
 - Reducing our greenhouse gas emissions in line with a science-informed strategy (see [Environmental Footprint, page 33](#))
 - Innovating our products to shrink our environmental footprint by embedding a circular mindset throughout our company (see [Sustainable Innovation, page 59](#))
- To contribute to SDG 15, we are:
 - Promoting sustainable terrestrial ecosystems and combating land degradation through our commitment to sustainable palm oil, and ensuring our palm oil supply chain does not contribute to deforestation, biodiversity destruction or human rights abuses (see [Responsible Sourcing, page 45](#))
 - Mobilizing resources to support biodiversity through community engagement, such as our programs in Haiti, Indonesia and Madagascar, which are focused on reforestation, establishing seedling nurseries and providing guidance on forest resources management (see [Responsible Sourcing, page 45](#))
 - Increasing the capacity of local communities to pursue sustainable livelihood opportunities through our community programs, such as our For Life certification programs for smallholder farmers that support strong environmental and social practices (see [Responsible Sourcing, page 45](#))



Materiality




Our most recent materiality assessment refresh was conducted for our **2019 Sustainability Report**, for which we worked with an independent third party to validate and update our list of material environmental, social and governance (ESG) topics. This update builds on full materiality assessments conducted in 2011 and 2014.

In 2020, we continued to engage with our key stakeholders to monitor changes in material topics and inform the development of our sustainability strategy. We identify our most important stakeholder groups through consultation with internal business functions and subject matter experts. Of course, “engagement” took on a new dimension through the lens of the pandemic, and we found new and creative ways to safely connect with one another, primarily on a virtual basis.

We saw the importance of several social topics escalate in 2020 – such as Consumer Health & Wellness; Workplace Health, Safety & Wellbeing; and Diversity & Inclusion – prompting us to invest more resources in the management of these issues, engage in new dialogues and expand our risk assessments and response strategies. Other stakeholder interactions, such as with our investors, underscored the continuing escalation in importance of environmental topics such as climate change, including expectations around our contribution to the transition to a net zero economy. For more information and examples of key topics and concerns raised by our stakeholders this year, please see **Stakeholder Engagement, page 28**.

The results of our most recent materiality refresh are presented alphabetically, by band of priority, below. We address all priority material topics and material topics throughout this report in accordance with the guidelines of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Our next full materiality assessment is expected to be conducted in 2021 and will include information inclusive of our combination with DuPont’s Nutrition Biosciences business.

IFF's Material Topics & Disclosure Framework Mapping

	ENVIRONMENTAL	SOCIAL	GOVERNANCE	PRODUCT
 PRIORITY MATERIAL TOPICS	<ul style="list-style-type: none"> ● Climate Change GRI 201 SASB RT-CH-110a ● Water Management GRI 303 SASB RT-CH-140a 	<ul style="list-style-type: none"> ● Consumer Health & Wellness GRI 416 ● Human Rights GRI 402, 407, 408, 409, 412 ● Responsible Sourcing GRI 308, 414 ● Workplace Health, Safety & Wellbeing GRI 403 SASB RT-CH-320a, -540a 		<ul style="list-style-type: none"> ● Green Chemistry ● Product Innovation GRI 417 SASB RT-CH-410a ● Product Safety GRI 416, 417 SASB RT-CH-410b
 MATERIAL TOPICS	<ul style="list-style-type: none"> ● Biodiversity GRI 304 ● Emissions GRI 305 SASB RT-CH-110a SASB RT-CH-120a ● Energy Management GRI 302 SASB RT-CH-130a ● Waste Management GRI 306 SASB RT-CH-150a 	<ul style="list-style-type: none"> ● Community Relations GRI 203, 413 SASB RT-CH-210a ● Diversity & Inclusion GRI 405 ● Employee Attraction, Engagement & Retention GRI 401, 402, 404 ● External Partnerships & Collaborations GRI 102 ● Raw Materials GRI 308 ● Traceability GRI 308, 414, 417 	<ul style="list-style-type: none"> ● Corporate Governance GRI 205, 207, 415 ● Ethics & Transparency GRI 205, 307, 417 SASB RT-CH-530a 	
 EMERGING TOPICS	<ul style="list-style-type: none"> ● Sustainable Agriculture & Aquaculture 		<ul style="list-style-type: none"> ● Data Security GRI 418 ● Economic & Political Disruption 	<ul style="list-style-type: none"> ● Circular Design SASB RT-CH-410a ● Genetically Modified Organisms SASB RT-CH-410c

Stakeholder Engagement

STAKEHOLDER GROUP	EXAMPLES OF HOW WE ENGAGE	EXAMPLES OF KEY TOPICS AND CONCERNS RAISED IN 2020
COMMUNITIES	<ul style="list-style-type: none"> ● Volunteer and charitable activities that are organized, hosted and implemented locally by sites around the world ● Initiatives through our Responsible Sourcing program to support the sustainable development of communities where our ingredients are grown ● Supporting frontline healthcare workers and first responders across the global IFF network 	<p>Health, wellness and educational opportunities; Income diversification; Safety and managing disruptions or restrictions due to COVID-19 (e.g., postponing or adjusting farmer trainings); Guidance on sustainable agriculture and ecosystem health</p>
CUSTOMERS	<ul style="list-style-type: none"> ● Industry events, expos, meetings, roundtables or presentations ● Partnerships and joint projects, including accompanying communications (e.g., press releases and social media) ● Questionnaires, surveys or sustainability performance reviews on environmental and social performance 	<p>Climate change and greenhouse gas (GHG) emissions (i.e., supporting customers' scope 3 emissions goals); Product safety, quality and labeling; Circular design; Responsible sourcing, ingredient traceability and human rights</p>
EMPLOYEES	<ul style="list-style-type: none"> ● Regular communications, including emails, newsletters, videos, town halls, the intranet, CEO blog and social media ● Employee engagement campaigns, surveys, webinars, e-learning courses and trainings 	<p>Culture and values; Safety, health and wellbeing; COVID-19 crisis management, workplace adaptations and financial hardship; Diversity, equity & inclusion; Sustainability and eco-efficiency objectives; Career development and workplace benefits</p>
INVESTORS	<ul style="list-style-type: none"> ● Regulatory filings, disclosures and press releases ● Quarterly meetings and conference calls to maintain an open dialogue on our strategies, performance, matters of corporate governance and executive compensation 	<p>Expanded ESG disclosures on value creation, performance metrics and long-term strategy for topics such as the transition to a net zero economy and talent management, including expanding diversity, equity and inclusion</p>
GOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS	<ul style="list-style-type: none"> ● Participation in trade associations, industry groups and multilateral organizations that amplify the business voice and represent industry interests ● Interaction and advocacy with governmental agencies and legislators to ensure clear understanding of business needs, inform regulatory decisions and align on policy interpretation 	<p>Business ambitions for contributing to the U.N. SDGs; Halting the decline of biodiversity through protections and public policies; Commitment to human rights; Product labeling and substance registrations</p>
SUPPLIERS	<ul style="list-style-type: none"> ● Questionnaires, audits or disclosures via third-party platforms to assess supplier performance ● Participation in joint initiatives and global networks to support the sustainability performance of industry supply chains ● Outreach, such as training/guidance, audits or questionnaires ● Collaborative partnerships and shared value programs to strengthen local communities and supply chains 	<p>Tracking and reporting GHG emissions; Managing supply chain disruptions and restrictions due to COVID-19; Postponing or adapting sustainability performance assessments and trainings due to COVID-19 (e.g., moving to virtual formats)</p>

Our Approach to Reporting

The content of this report is based on our sustainability strategy and materiality assessment. It is developed through an in-depth consultation process with relevant subject matter experts. The report is then reviewed by representatives from each business function. Feedback is incorporated, and our senior management, Executive Committee members and CEO review the final report prior to publication.

This report should be read in conjunction with our [2020 Annual Report](#) and [2021 Proxy Statement](#) available at ir.iff.com. Previous years' sustainability reports and data are available in our Report Library at iff.com/responsibilities.

REPORTING SCOPE

The scope of this 2020 Sustainability Report covers January 1, 2020, to December 31, 2020, and includes facilities owned and operated by IFF, as well as all entities included in IFF's 2020 consolidated financial statements, excluding those referenced below. In recent years, we have acquired several new companies. The data from these entities, excluding Frutarom, represent a small percentage of our overall operating footprint. Their inclusion in our dataset for this report is outlined below.

Consistent with best practices and applicable framework guidelines for sustainability reporting, we generally include acquisitions' performance data in our reporting boundary for the first full year of operation following their acquisition.¹ An exception to this is made for safety data if an acquired site has a recordable incident during the year it is acquired, in which case we include the incident(s) and manhours for the affected site, beginning with the month in which the incident(s) occurred.

For example, in 2012, we announced our 2020 intensity-based sustainable production goals against a 2010 baseline. Frutarom (following their acquisition by IFF in 2018) was not incorporated into our 2020 goals due to lack of available data going back to 2010. However, in 2018, we also announced EcoEffective+, our next set of 2025 environmental goals against a 2015 baseline. In 2019, we completed initial modeling and used the data to internally track combined company emissions performance. Frutarom environmental data is now incorporated into the 2025 EcoEffective+ goals.

The scope of this 2020 Sustainability Report incorporates Frutarom unless stated otherwise. 2020 represents the second consecutive year that we have reported as a combined company with Frutarom. For purposes of this report, "legacy IFF" refers to company data that excludes Frutarom.

1. With respect to financial reporting, we include the results of the acquired entity from the day we acquire the company.

Our Commitment to Sustainability

The finalization of the merger with DuPont's Nutrition & Biosciences (N&B) business took place on February 1, 2021. As such, the scope of this 2020 report excludes N&B. We plan to begin reporting integrated data for the combined company in the 2021 reporting year. Potential changes to IFF's sustainability performance metrics following the N&B integration may impact our ratings and rankings.

ACQUISITION	YEAR ACQUIRED	DATA INCLUSION IN 2020 SUSTAINABILITY REPORT
OTTENS FLAVORS (TASTEPOINT SOUTH)	2014	Yes
LUCAS MEYER COSMETICS	2015	Yes
DAVID MICHAEL (TASTEPOINT NORTH)	2016	Yes
FRAGRANCE RESOURCES	2017	Yes
POWDERPURE	2017	Yes
FRUTAROM	2018	Yes, unless stated otherwise

Other acquisitions outside of Frutarom have not materially impacted our baseline or progress against our 2020 goals or 2025 EcoEffective+ goals. Therefore, no baseline adjustment to reflect those acquisitions other than Frutarom has been made.

We understand that applicable best practice reporting framework guidelines, such as the Greenhouse Gas Protocol and the Science Based Targets initiative, would expect an update to our 2015 baseline following material acquisitions like Frutarom. Setting new baselines and targets is a complex and resource-intensive process. We will re-establish our targets and baselines in 2021 to reflect the N&B combination.

DISCLOSURE FRAMEWORKS

To assist stakeholders in understanding and benchmarking our performance, we annually prepare our sustainability report in accordance with the Global Reporting Initiative (GRI) Standards: "Core" option. GRI is an internationally recognized and widely adopted set of indicators for reporting in a transparent and reliable way on economic, environmental and social issues related to business performance. For additional information on the GRI Standards, please visit www.globalreporting.org.

For the second consecutive year, we have also prepared a Sustainability Accounting Standards Board (SASB) disclosure for the chemicals industry in this report. SASB is an independent, nonprofit organization with a mission to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. For additional information on SASB, please visit www.sasb.org.

This year, for the first time, we have also prepared a disclosure in alignment with the guidance and recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The TCFD recommendations were developed to inform investment, credit and insurance underwriting decisions, as well as enable stakeholders to better understand the financial system's exposures to climate-related risks. For additional information on TCFD, please visit <https://www.fsb-tcfd.org/>.

IFF is a formal signatory of the U.N. Global Compact (UNGC), a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Our 2020 Sustainability Report serves as our annually required Communication on Progress, which provides an overview of our commitments to sustainable and socially responsible policies in these areas. For more information on IFF's UNGC participation, please visit <https://www.unglobalcompact.org>.

Our Commitment to Sustainability

EXTERNAL ASSURANCE

We retained **ERM CVS** to conduct a third-party assurance of our 2020 Sustainability Report. Specifically, they assessed whether the report presents a complete and balanced presentation of IFF's sustainability activities and performance in accordance with the GRI Standards: "Core" option, and whether the 2020 information and data for specified indicators (primarily related to environmental and safety metrics) are fairly presented in accordance with the reporting criteria.

Due to continued travel restrictions in light of the COVID-19 pandemic, six facility visits, as well as one headquarters visit (for interviews and a review of data systems), were conducted as "virtual" visits via conference calls. Additional documentation to support corporate claims and operational data was provided as needed to inform the process and ensure accuracy and completeness.

For more information, please see the **ERM CVS Assurance Statement** at the end of this report, which details the scope, activities and conclusions of their engagement.

An aerial photograph of a dense coniferous forest. The trees are mostly green, but a single, dead, skeletal tree stands out in the center-left. The image is partially overlaid with green circular shapes on the left side.

EXPANDING SUSTAINABLE OPERATIONS

ENVIRONMENTAL FOOTPRINT

At IFF, we understand that how we operate and the choices we make have a direct impact on the world and its natural resources. This realization drives our long-term sustainability commitments and is at the core of IFF's purpose: to apply science and creativity for a better world.

Strategy

Our approach for managing our environmental footprint is rooted in our sustainability strategy and administered by the champions of our cross-functional Eco-Effectiveness Team (one of four committees that make up our Sustainability Business Council). Composed of senior management from our global Operations and Sustainability departments, the Eco-Effectiveness Team reviews the status of our key performance indicators on a quarterly basis and selects sustainability capital projects annually across targeted sites to catalyze progress on our corporate goals.

The Eco-Effectiveness Team's strategic focus areas are driven and implemented by tactical, on-the-ground Green Teams, or cross-functional groups of employees who have a demonstrated passion for sustainability. Green Teams are in place at our IFF manufacturing facilities, creative centers and offices. These teams are empowered to drive improved environmental performance through eco-effectiveness projects at their respective locations. Globally, Green Teams connect each quarter to communicate progress and share best practices across the organization.

Green Teams use a centralized management system to track, measure and report on their environmental performance metrics. Through this structure, facility leadership and Green Teams take responsibility for minimizing the footprint of their own facilities, while benefiting from the resources and knowledge of other sites. This autonomy allows each site to focus on the projects that will result in the most significant environmental improvements.

KEY HIGHLIGHTS

- Named to CDP's A Lists for climate change and water security for the sixth and third consecutive year, respectively – affirming IFF as a leader in environmental management
- IFF Garín, Argentina now uses renewable electricity from solar power for 100% of its operations
- Expanded the reach and impact of our dedicated capital expenditure fund through more than 70 submissions in 2020 for projects that will result in significant reductions in energy, water, waste and GHG emissions

LOOKING AHEAD





- Continue to evaluate our combined environmental footprint following the merger with the N&B Business to better align our sustainability practices
- Continue to reduce absolute emissions through expanded renewable energy investments, while prioritizing energy efficiency projects in ways that will minimize overall energy usage
- Continue to prioritize water management in high priority locations while decreasing pressure on local watersheds

Environmental Footprint

We rely on external certification systems to measure and manage our environmental footprint throughout our value chain. ISO 14001 is a globally recognized set of environmental management standards that helps organizations minimize their operational impacts on the environment. Adhering to ISO 14001 improves resource efficiency, reduces waste, manages costs and underscores our commitment to continuous improvement. IFF's major manufacturing facilities¹ are ISO 14001 certified or in the process of becoming certified. For those facilities that fall below the ISO's threshold classification of a "major manufacturing facility" due to their size, we follow the identical procedures to leverage the benefits of the ISO certification process. For more information, please see [IFF Facility Certifications, page 114](#).

Environmental Goals

In 2012, we announced our 2020 intensity-based sustainable production goals against a 2010 baseline. Below are the results of these goals for IFF (excluding Frutarom) as of the end of the 2020 goal period. We met and surpassed three of four goals earlier than expected, resulting in significant decreases in the intensity of our emissions, water and waste. Although we did not meet our original energy goal (having learned that energy intensity is driven largely by product mix), we further supported efficiency measures by launching facility-led eco-effectiveness projects, installing new equipment and initiating operational changes at several of our sites. Moving forward, we will continue to monitor our progress in each of these four areas. For more information, please see [IFF Performance Data, page 104](#).

2020 GOALS (2010 BASELINE)		OUR PROGRESS AS OF 2020 ²	
EMISSIONS	Reduce Scope 1 and Scope 2 GHG emissions intensity by 25% (metric tons CO ₂ e per metric ton of production)	-42.6%	 2017
ENERGY	Reduce energy intensity by 20% (gigajoules per metric ton of production)	-14.4%	
WATER	Reduce water use intensity by 50% (cubic meters per metric ton of production)	-67.1%	 2016
WASTE	Reduce hazardous waste generation intensity by 25% (metric tons per metric ton of production)	-41.0%	 2017

LEGEND



Achieved



In Progress



On Track

Environmental Footprint

Building on our success in surpassing three of our four targets for emissions, water and waste in 2018, we launched new environmental goals to take us to 2025 and beyond. These initiatives, which focus on science-based GHG emission reductions, renewable energy, water stewardship and zero waste to landfill, are known collectively as our EcoEffective+ goals. We remain on track to achieving these ambitions (note, we will re-establish our targets and baselines in 2021 to reflect the N&B combination).

ECOEFFECTIVE+ 2025 GOALS (2015 BASELINE)		OUR PROGRESS AS OF 2020	
EMISSIONS	<p>Science Based Target (SBT): Reduce absolute Scope 1 and Scope 2 GHG emissions by 30%</p> <p>Engage suppliers representing 70% of our supply chain emissions to set their own SBTs and report annual emissions</p>	<ul style="list-style-type: none"> -19.7% (66% of our goal) Engaged suppliers representing 43% of supply chain emissions³ through the CDP Supply Chain platform Of this, suppliers representing 31% of supply chain emissions³ have approved, committed to or plan to set an SBT 	
ENERGY	<p>Procure 75% of our electricity portfolio⁴ from renewable sources</p>	<ul style="list-style-type: none"> 166,513 megawatt hours (MWh) of renewable electricity procured, representing 52.0% of our electricity portfolio⁴ (69% of our goal) 	
WATER	<p>Use recycled water for more than 50% of non-product operations and drive collective action for water stewardship in targeted communities where we source and operate⁵</p>	<ul style="list-style-type: none"> 84,000+ cubic meters of water recycled at our Tilburg, Netherlands, plant during the project's first full year of operation Completed first water reduction project in a priority region assessed as having high baseline water stress 	
WASTE	<p>Achieve zero waste to landfill (ZWL) status at all major manufacturing facilities¹</p>	<ul style="list-style-type: none"> ZWL achieved at 11 of 53 qualifying facilities, representing 21% of our goal⁶ 	

1. For ISO 14001 certification, a "major manufacturing facility" is defined by a combination of the site's production, revenue and personnel count. For waste management, a "major manufacturing facility" is defined as a site that generates more than 100 metric tons of hazardous and nonhazardous waste annually.

2. Legacy Frutarom was not incorporated into the 2020 goals due to lack of available data going back to 2010.

3. Legacy IFF (excluding Frutarom)

4. Based on our 2015 site portfolio

5. Facility communities are identified based on risk profiles using the World Resources Institute's Aqueduct tool and Ecolab's Water Risk Monetizer.

6. In 2020, two facilities were labeled as "Maximum Diversion from Landfill," as local regulations limited their ability to reach every qualification outlined in our ZWL policy for internal verification.

Metrics & Targets ⁷

Over the past year, we have continued to achieve notable progress and improvements toward the metrics and targets associated with our EcoEffective+ goals for emissions, energy, water and waste. We track key metrics and targets to assess climate impacts and monitor alignment with our sustainability strategy. In 2020, IFF initiated a process to identify and implement a state-of-the-art environmental management software, which included historical data transfer and performance dashboards to track progress against metrics and targets. The new software enables more efficient data collection and visualization of key performance indicators (KPIs) to help facilities identify opportunities to improve their operational metrics in both the short- and long-term. The data and KPIs are applicable to the entire organization.

STANDARDS AND BASIS OF CALCULATIONS FOR ENVIRONMENTAL DATA

Greenhouse gas (GHG) emissions are calculated according to the Greenhouse Gas Protocol. This report includes all Scope 1 and Scope 2 emissions. Of the 15 Scope 3 categories, 10 are relevant to IFF, and we have historically reported on a minimum of six in our sustainability report (see IFF Performance Data, page 104). While we have less influence over the remaining four categories – employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products – we include estimates for these in our annual CDP report.

The organizational boundaries for this report align with the Operational Control approach outlined in the GHG Protocol. Following Scope 1 Guidance for Direct Emissions, we use appropriate emission factors from the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories and the U.S. Environmental Protection Agency (EPA) Fugitive Emissions Guidance. For electricity (Scope 2 emissions), we follow the EPA's 2019 eGrid Subregion emission factors and the latest International Energy Agency emission factors. Emission factors for purchased steam are specific for each site and are provided by the suppliers.

Emissions for process-derived fuels are specific to each site and are calculated by mass balance based on product mix. The emissions calculations include GHGs covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆) – and are reported as CO₂ equivalents (CO₂e).

We use the global warming potentials provided in the IPCC's Fifth Assessment Report. We report both market-based and location-based emissions data in this sustainability report, which follow the methodologies provided in the Scope 2 Guidance of the GHG Protocol. Market-based emissions use supplier-specific emission factors and include renewable energy credits.

Environmental Footprint

CLIMATE CHANGE & EMISSIONS

We believe that companies play a critical role in addressing the climate emergency, reducing GHGs and helping to safeguard life on our planet. At IFF, we do this by taking a leadership role in the mobilization of wider industry action and by setting an example through our strategy and performance.

In 2017, IFF signed the “**We Are Still In**” declaration of support for the Paris Agreement and climate action. In September 2019, during the U.N. Climate Action Summit, we reconfirmed this commitment to mitigating climate change by being among the first companies to sign the U.N.’s Business Ambition for 1.5°C: Our Only Future pledge, a communications and advocacy campaign to limit global temperature rise to 1.5°C through more aggressive science-based targets for emission reduction. As of December 2020, more than 360 companies had signed the Business Ambition for 1.5°C commitment.

SCOPE 1 & SCOPE 2 EMISSIONS

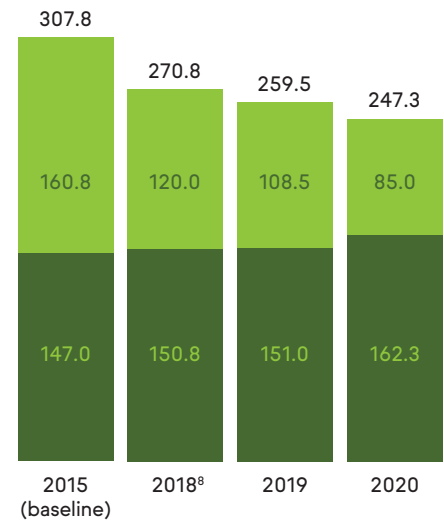
As approved by the **Science Based Targets** (SBT) initiative, our goal is to reduce our absolute IFF Scope 1 emissions (those we directly control) and Scope 2 emissions (those generated through purchased electricity and steam) by 30% below 2015 levels by 2025. We are on track to meet this target (note, we will re-establish our targets and baselines in 2021 to reflect the N&B combination). In 2020, we reduced IFF absolute Scope 1 and market-based Scope 2 GHG emissions by 4.8% from the prior year and by 19.7% below 2015 levels.

SCOPE 3 EMISSIONS

In 2020, IFF generated 2,145,326 metric tons of CO₂e Scope 3 emissions (i.e., indirect emissions in our value chain such as upstream fuel and energy-related activities and employee business air travel). These emissions were generated from six categories relevant to IFF from the GHG Protocol. Gases in our Scope 3 calculation include CO₂, methane CH₄ and N₂O. For more information, please see **IFF Performance Data, page 104**.

As part of our approved SBT, IFF has a related Scope 3 goal to engage suppliers representing 70% of our supply chain emissions⁹ by 2025 to set their own SBTs and report annual emissions. To work toward this goal, we engage with suppliers through CDP Supply Chain to encourage them to track their emissions, respond to the CDP climate change questionnaire and set an SBT. As of 2020, we have engaged suppliers representing 43% of our IFF supply chain emissions⁹ through the CDP Supply Chain platform. Of this, suppliers representing 31% of our supply chain emissions⁹ have approved, committed to or plan to set an SBT. Looking ahead, we will be working to further align our commitment to Scope 3 emission reductions throughout our value chain.

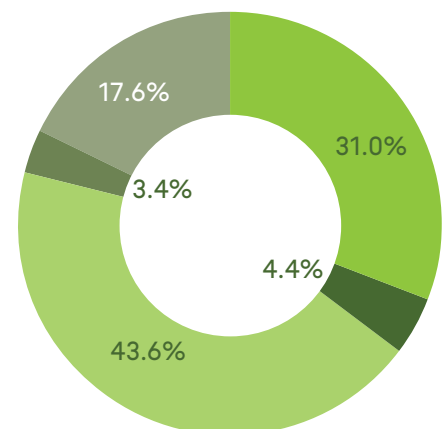
ABSOLUTE GHG EMISSIONS PERFORMANCE



Thousands of metric tons CO₂e

- Scope 1
- Scope 2

2020 TOTAL SCOPE 1 AND SCOPE 2 MARKET-BASED EMISSIONS BY SOURCE



247,272 metric tons of CO₂e

- Electricity
- Fuel oil, LPG (Propane), Mobile vehicles, Biomass and Refrigerants
- Natural gas and Liquid natural gas (LNG)
- Purchased steam
- Process-derived

8. 2018 Frutarom environmental data was reviewed by an independent third party but was not assured.

9. Legacy IFF (excluding Frutarom)

Environmental Footprint

ENERGY MANAGEMENT

To manage the GHG emissions and operating costs associated with the combustion of fossil fuels for energy, we employ an energy management strategy grounded in data and focused on efficiency measures and a commitment to using renewable energy.

Our IFF (excluding Frutarom) energy intensity increased by 1.48% per metric ton of production from the prior year. This increase was the result of a more energy intensive product mix than previous years, in part from our efforts to produce more essential COVID-related goods.

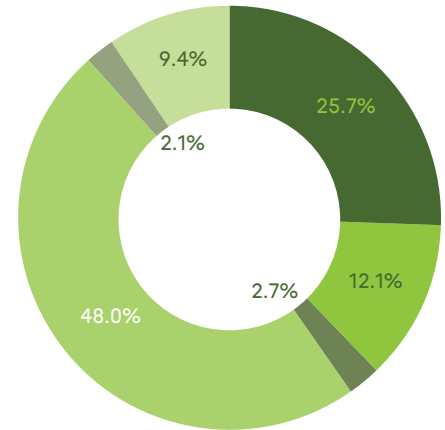
As a member of **RE100** – a corporate leadership initiative of businesses committed to 100% renewable electricity – we are committed to procuring 100% of our electricity needs from renewable sources in the shortest practical timescale possible and as financially feasible. In the meantime, we have continued to make progress toward our interim EcoEffective+ goal of procuring 75% of our electricity needs from renewable sources by 2025. As of the end of 2020, IFF has procured or produced 166,513 MWh of renewable electricity for our operations, covering 52% of total electricity needs and representing approximately 69% of the way to meeting our EcoEffective+ goal.

Examples of our renewable energy power purchase agreements include:

- 6,500 MWh wind turbine at our Tilburg, Netherlands, facility
- 4,500 MWh solar field at our Hazlet, New Jersey, location
- 9,000 MWh solar array, at our Union Beach, New Jersey, property
- 2,600 MWh procured from an off-site solar contract at our Garín, Argentina, sites

In 2020, we also continued purchasing green electricity for multiple facilities, including in Haverhill, U.K.; Carrollton, Texas; Benicarló, Spain; Jacksonville, Florida; Philadelphia, Pennsylvania; and Knockrow, New South Wales, Australia. Additionally, we increased green electricity purchasing by executing countrywide green electricity supply agreements for manufacturing facilities and creative centers in France and Brazil, as well as facilities in the UK.

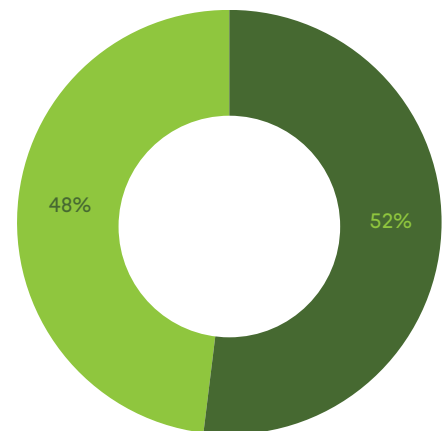
2020 TOTAL ENERGY CONSUMPTION¹⁰



4,465,922 gigajoules

- Electricity
- Steam
- Fuel oil, LPG (Propane)
- Natural gas
- Process-derived
- Biomass

2020 ELECTRICITY CONSUMPTION BY SOURCE¹⁰



1,147,742 gigajoules

- Renewable
- Non-renewable

Environmental Footprint

WATER MANAGEMENT

Water is a critical input to IFF's business, from our taste and scent ingredients to our production processes, including cooling, steam generation, feedstock processing and cleaning. We also rely on water indirectly for all agricultural-related processes throughout our supply chain. We generate wastewater as an output of our manufacturing processes, and this water is treated before disposal.

Across our portfolio, we have made significant progress in reducing our global water footprint over time. We have twice surpassed 2020 goals to reduce IFF (excluding Frutarom) water use intensity by 25% and 50% against a 2010 baseline. In 2020, we reduced our IFF (excluding Frutarom) water intensity by 1.38% from the prior year. This improvement was due primarily to the continued application of water-saving initiatives at IFF (excluding Frutarom) facilities (such as eliminating once-through cooling, optimizing cleaning procedures, recycling wastewater on-site and repairing or upgrading piping to prevent water leaks).

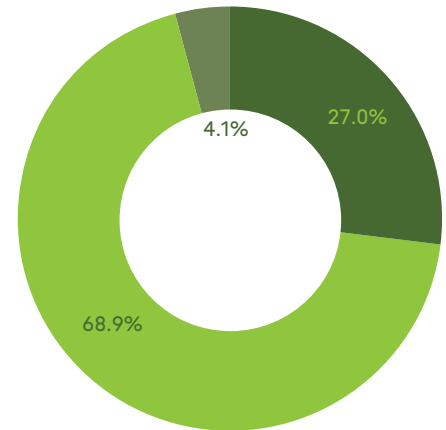
We track or estimate water withdrawal for all our IFF manufacturing facilities and office buildings. Globally, approximately 75% of our water usage is from 20 of our facilities, which have varying risk profiles according to their location.

WATER STEWARDSHIP

IFF has two EcoEffective+ water stewardship goals focused on watershed management and community engagement efforts. First, we aim to use recycled water for more than half of our nonproduct operations by 2025. Our Tilburg plant in the Netherlands implemented a water recycling project in 2019, resulting in the recycling of more than 84,000 cubic meters of water in its first full year of operation in 2020. This initiative was a model of successful collaboration between multiple private entities to utilize recycled water, reduce strain on the municipal supply and save money. IFF will leverage the learnings from this collaboration to identify new projects in support of our goal.

Second, we will focus on driving collective action for water stewardship in the communities where we source and operate¹¹. As the risks of water scarcity and overconsumption increase around the world, particularly in locations with high baseline water stress, we strive to reduce our water use and consumption through increased efficiency and other water management strategies. Our CEO has confirmed this commitment by signing the U.N. Global Compact's CEO Water Mandate to advance water stewardship in partnership with the U.N., governments, civil society and others.

2020 WATER WITHDRAWAL BY SOURCE



4,678,506 cubic meters

- Groundwater
- Municipal system
- Other (Process water, Surface water and Rainwater)

11. Facility communities are identified based on risk profiles using the World Resources Institute's Aqueduct tool and Ecolab's Water Risk Monetizer.

Environmental Footprint

In order to map our water footprint and manage possible risks, we use several publicly available and globally recognized tools for informing water stewardship approaches. To identify water stress, flood occurrence and drought severity risks for our manufacturing facilities, for example, we use the World Resources Institute’s (WRI) Water Risk Atlas tool, **Aqueduct**. On a project basis, we use other tools, such as the World Business Council for Sustainable Development’s Global Water Tool and the U.S. EPA’s Surf Your Watershed tool. We also use Ecolab’s Water Risk Monetizer to help understand water-related risks and to quantify them in financial terms. We have not identified any substantive risks to our business associated with water, but we are continuing to focus on our water stewardship efforts.

To work toward our goal of driving collective action for local water stewardship and addressing community needs, we are in the process of identifying areas of our operations with potentially high baseline water stress as classified by the WRI Aqueduct tool and other tools. Results from the initial screening indicate that 17.1% of our total water withdrawal in 2020 came from regions with high or extremely high baseline water stress. We will use these results to further focus our water stewardship efforts moving forward.

WASTE MANAGEMENT

As part of our comprehensive approach to managing our waste, we are continually identifying and monitoring trends that affect our production while tracking our key performance metrics against our targets. We are particularly focused on increasing our recycling rates and eliminating the concept of waste in our operations. In 2020, our total nonhazardous waste was 48,736 metric tons.

We have made significant progress in implementing our zero waste to landfill (ZWL) program, which is focused on encouraging our Green Teams and employees to implement innovative solutions to reduce waste intended for landfill by reusing and recycling materials. Building on the lessons learned from our South Brunswick, New Jersey, flavors facility (which was **GreenCircle Certified** in 2017 as the industry’s first ZWL manufacturing facility), we formalized an internal process for ZWL verification in 2019. To achieve ZWL status, more than 98% of all trash, recyclables and other waste streams from the manufacturing process is diverted away from landfill by being re-used, recycled or incinerated. Following this framework, as of 2020 we have verified a total of 11 out of 53 facilities as ZWL (or 20.7%) and we are accelerating our progress to meet our 2025 goal (note, we will re-establish our targets and baselines in 2021 to reflect the N&B combination).

ZERO WASTE TO LANDFILL SITES (11 OUT OF 53 MAJOR MANUFACTURING FACILITIES¹)

2017	● South Brunswick, New Jersey		
2019	● Tilburg, the Netherlands	● Jammu in the Indian union territory of Jammu and Kashmir	
	● Jurong, Singapore	● Karawang, Indonesia	
2020	● Hazlet, New Jersey	● Union Beach, New Jersey	● Giv’at Oz, Israel
	● Gotemba, Japan	● Huangpu, Guangzhou, China	● Rio de Janeiro, Brazil

Environmental Footprint

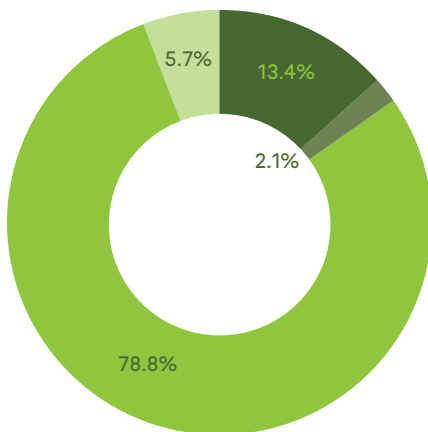
HAZARDOUS WASTE

Because chemical manufacturing generates some unavoidable hazardous process waste, we take steps to reduce its generation, identify effective treatments and disposal methods, and focus on recovery, reuse and recycling, where possible. Our goal has been to drive continuous improvement by further reducing our hazardous waste at our facilities.

In 2020, IFF (excluding Frutarom) generated .057 metric tons of hazardous waste per metric ton of production, representing a nearly 14.6% increase from the prior year and a 41% reduction from the 2010 baseline.

These reductions stem from systematically focusing on the production processes that typically generate the highest volumes of hazardous waste. For example, in 2020 our Operations team optimized processes and found new ways to manage waste, including through a new plastic waste packaging shredder, which, through its innovative design, reduces the incineration of plastic waste in favor of recycling the plastic waste granulates back into the plastic industry.

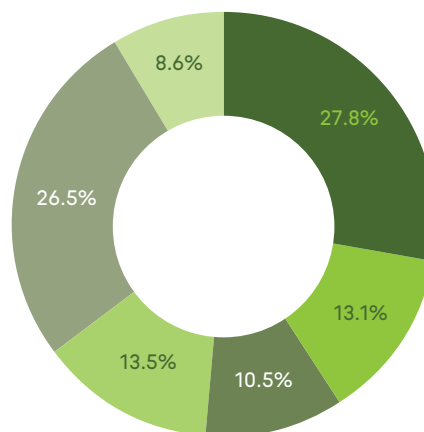
2020 HAZARDOUS WASTE BY DISPOSAL METHOD



24,301 metric tons

- Recovery/Reuse/Recycling
- Landfill
- Incineration
- Other

2020 NONHAZARDOUS WASTE BY DISPOSAL METHOD



48,736 metric tons

- Recycling
- Energy recovery
- Landfill
- Composting
- Incineration
- Other

Improving Sustainability Performance

Our employees are on the front lines of identifying ways to operate more sustainably, save resources and reduce costs while meeting the environmental performance expectations of our customers and other stakeholders. Without our employees, these achievements would not be possible.

INFORMATION TECHNOLOGY EFFICIENCIES

With an eye toward the digital future, IFF took steps in 2020 to increase the flexibility, reliability, security and efficiency of our global information technology (IT) infrastructure, while reducing waste and energy consumption. These efforts included the following:

- **Responsibly disposing of electronic waste:** In support of IFF's Zero Waste to Landfill goal, IFF has partnerships in place with specialized disposal companies in select global locations to recycle and responsibly dispose of e-waste (i.e., discarded electrical or electronic devices). In 2020, we expanded our partnerships for e-waste collection to areas where it was not previously available. We also moved from a largely site-by-site management approach to implementing a global solution that now provides end-to-end visibility of the process and will improve tracking of e-waste disposal for IFF sites moving forward.
- **Migrating to the cloud:** From email to expense reports to business analytics, IFF is increasingly leveraging cloud-delivered software that drives sustainable resource efficiencies. We continued to accelerate this transition in 2020 to achieve optimal automation, consistency and availability while reducing the fixed costs and potential capacity expansion delays associated with server maintenance. Going forward, we will also build all bespoke applications cloud-first in order to utilize on-demand cloud capacity.
- **Refreshing equipment:** As part of our responsible e-waste disposal strategy, we continued to progress on our workstation refresh program, which runs in five-year cycles to replace older IT equipment with eco-friendly, energy efficient alternatives. In 2020, this global program included upgrading monitors that automatically go into sleep mode after periods of inactivity, as well as replacing traditional hard drives with more energy efficient solid-state hard drives.

Environmental Footprint

ECO-EFFECTIVENESS RECOGNITION PROGRAM

Annually, our Global Sustainability Team holds an Eco-Effectiveness Recognition Program to honor our manufacturing facilities that have improved their sustainability performance in GHG emissions, energy, water and waste. Many sites contributed to IFF's strong performance in 2020, but the sites below are recognized as leading examples of our sustainability strategy in practice.

● Most Sustainable Site

- **Karawang, Indonesia:** Achieved year-over-year intensity reductions in all four categories of evaluation: GHG emissions, energy, water and hazardous waste. Karawang also completed their Zero Waste to Landfill certification while completing sustainability capital expenditure (capex) projects that provide numerous environmental benefits.

● Most Improved Sites

- **Garín, Argentina** – GHG emissions: achieved year-over-year reductions in emissions intensity and absolute emissions. Efforts driven by the completion of an offsite solar contract that secured the transition to 100% green electricity use by the end of 2020.
- **Zhangjiagang, Jiangsu, China** – Energy: achieved year-over-year reductions in energy intensity and absolute energy usage while increasing production volumes. Efforts driven by the completion of two energy reduction capex projects.
- **Jiande, Zhejiang, China** – Water: achieved year-over-year improvement in water usage efficiency while significantly increasing production volumes. Efforts driven by capex projects that increased wastewater infrastructure and enhanced cleaning efficiencies.
- **Tilburg, the Netherlands (Scent)** – Hazardous waste: Zero Waste to Landfill verified site that achieved year-over-year reductions in hazardous waste. Efforts driven by new efficiencies, including a plastic waste shredder capex project.

These awards demonstrate our employees' continued passion and commitment to progressing IFF's transition to a sustainable future.



**STRENGTHENING
ETHICAL
PRACTICES
IN OUR
SUPPLY CHAIN**

RESPONSIBLE SOURCING

IFF's supply chain is broad and complex – from raw material sourcing to manufacturing, quality assurance, regulatory compliance and distribution. In order to provide our customers with consistent quality products on a timely and cost-effective basis, we responsibly source approximately 41,000 different raw materials from an extensive network of domestic and international suppliers and distributors.

Our Responsible Sourcing program seeks to ensure ethical practices in our supply chain, reduce impact to the environment and support workers and grower communities. We recognize that our footprint extends beyond our own operational control and that we must influence our entire value chain in order to make a positive impact. Through innovation, collaboration and industry leadership, we work to continuously improve the strength, transparency, traceability and diversity of our supply chain in order to provide our customers with consistent quality products while helping them achieve their own sustainability goals.

In 2020, we worked hard to maintain our critical role in the global consumer goods supply chain. Disruption to our own supply chain was mostly limited to the regions where the most significant government restrictions were in place, including India and Latin America. In anticipation of potential limitations in logistics across certain regions, we made appropriate adjustments to minimize disruptions and to be able to continue delivering the level of service our customers expect from us while ensuring the safety of our people.

KEY HIGHLIGHTS

- Named a CDP Supplier Engagement Leader for the first time and awarded an A- on CDP Forests for the second consecutive year
- LMR Naturals by IFF recognized for sustainable innovation by CosmétiqueMag with a Gold Award for LMR Lavandin Enflourage 2.0 absolute and a Bronze Award for LMR turmeric extracts
- Joined more than 560 companies during Climate Week NYC in signing Business for Nature's Call to Action, urging governments to protect biodiversity and adopt ambitious policies to reverse nature loss this decade

LOOKING AHEAD

- Continue to work closely with the Roundtable on Sustainable Palm Oil and other industry partners to further contribute to the sustainability of palm oil globally and refresh our palm oil goal beyond 2020
- Strengthen our commitments to Responsible Sourcing by partnering with and further engaging suppliers along our sustainability journey
- Increase our support for, and investment in, the communities we source from, such as Haiti through the continued expansion of the Vetiver Forward program

Policies & Commitments

Our Responsible Sourcing Committee, which meets quarterly, oversees all commitments and policies related to responsible procurement and supplier engagement. The committee – led by our Vice President and Chief Procurement Officer, as well as our Vice President of Global Sustainability and Environmental, Health and Safety – provides updates to the Sustainability Business Council. It comprises senior management from our Procurement, Sustainability, Regulatory and Quality functions, as well as leadership from our Taste and Scent business units and LMR Naturals by IFF, our natural ingredients operations.

In 2020, 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 2021 and beyond. We also continued to consolidate legacy Frutarom this year, identifying common corporate suppliers and integrating them into the Responsible Sourcing program. Moving forward, we will continue to integrate unique suppliers into our risk assessment over time, with priority on significant spend.

Our approach to responsible sourcing, human rights and sustainable resource management – including our expectations of all stakeholders – are outlined in the following policies and commitments:

- **Vendor Code of Conduct:** Updated in January 2021 and available in six languages, the Vendor Code sets forth the basic requirements a vendor must meet in order to maintain a business relationship with IFF. We expect our suppliers, and their suppliers, to conduct their business ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards, including those concerning workplace safety and human rights. Through our vendor onboarding process, led by Global Procurement, new vendors are provided with the Vendor Code and must acknowledge in our procurement system that they have received and read it. Existing suppliers must acknowledge our Vendor Code with each contract renewal.
- **Responsible Sourcing Policy:** Published and communicated to suppliers in 2020, this Policy outlines IFF's expectations with respect to the responsible sourcing of raw materials. It aligns with IFF's global procurement commitments and global sustainability goals while promoting engagement and standardized communication with our suppliers.
- **Global Human Rights Policy:** We explicitly support all internationally recognized human rights standards. Discrimination, child labor and forced or compulsory labor are prohibited, and we expect our vendors to recognize and respect their employees' rights to freely associate and engage in collective bargaining.
- **Policy on Sustainable Palm Oil:** We are committed to source all palm oil sustainably where possible and we seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance or human rights abuses. For more information on our 2020 palm oil goal, please see [page 54](#).
- **Business for Nature's Call to Action:** Businesses have a pivotal role in halting the decline of biodiversity, which is crucial to ensuring future planetary health and prosperity. In September 2020, during the U.N. General Assembly and U.N. Biodiversity Summit, IFF joined more than 560 companies in signing Business for Nature's Call to Action urging governments to adopt ambitious policies now to reverse nature loss this decade.

Risk Assessment & Prioritization

IFF has rigorous quality and sustainability expectations for our suppliers. On the quality side, our Vendor Management program and internal auditors help to ensure that our suppliers meet these expectations. Selected new raw material 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 vendor risk scorecards, which are managed by our Global Quality function, allow us to focus our resources where the needs are greatest.

Similarly, our Responsible Sourcing program assesses vendors for environmental, social and governance risks based on the vendor's country of operation. We also track the corporate social responsibility performance of vendors. For material-specific risks, we categorize natural raw materials and renewables based on country of harvest. In summary, both our Vendor Management program and our Responsible Sourcing program allow us to share best practices and technical advice with our suppliers to support them in making continuous improvements.

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.

RISK ASSESSMENT METHODOLOGY

Our risk assessment methodology helps to identify inherent sourcing risks for suppliers and ingredients based on their countries of operation. The methodology was validated in 2017 by the **Rainforest Alliance** – an international nongovernmental organization working to build strong forests, healthy agricultural landscapes and thriving communities. In 2019, we completed a risk methodology refresh, again in partnership with the Rainforest Alliance, to enhance our risk assessment tool and expand it to incorporate global environmental, social and governance risk insights, specifically the following:

- Environmental risks related to water, climate change, biodiversity, agriculture and deforestation, using input sources such as the World Resources Institute, Global Forest Watch and academic studies
- Social risks related to human rights and labor rights, using sources such as the Global Slavery Index, the World Bank, the U.N. Development Programme and UNICEF
- Governance risks related to government effectiveness and corruption, using sources such as Worldwide Governance Indicators and Transparency International

Responsible Sourcing

We also conduct hot-spot screenings on raw materials that have been flagged by credible sources and other risk tools, such as the [U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor](#) and the [NEPCon Sourcing Hub](#), among others.

Our risk assessment methodology guides our policies, programs and strategies. For example, we have identified deforestation as an area of potential risk. As outlined in our Responsible Sourcing Policy, we expect suppliers to ensure that natural raw materials and naturally derived ingredients are not linked to deforestation. Similarly, the design of many of our shared value community programs incorporates opportunities to support biodiversity and reforestation (see [pages 55-57](#)).

In 2020, 100% of new (defined as those that did not have two prior consecutive years of spend) business-critical suppliers¹ have been screened using environmental and social criteria, representing 14% of the responsible sourcing portfolio.

Monitoring Performance

As part of the material approval process, we query suppliers on responsible sourcing practices, traceability and other relevant topics. We leverage different tools to monitor and assess our supply chain's responsible sourcing status. For example, our internal vendor questionnaire covers questions regarding suppliers' own corporate social responsibility management and sustainability programs, including responsible sourcing topics and traceability. We also partner with like-minded organizations and others in our value chain to monitor and assess our suppliers' sustainability commitments and responsible sourcing practices.

CDP SUPPLY CHAIN

According to CDP, an organization's average upstream emissions are around 11.4 times greater than their direct operations, which is why supplier engagement is an important part of our climate action strategy and approved Science Based Target. As a member of the CDP Supply Chain program, we invite suppliers to complete the CDP questionnaire about their greenhouse gas (GHG) emissions, the results from which are used to improve our Scope 3 (value chain) emission estimates and better prioritize future mitigation measures. As part of this effort, we work with industry partners and the CDP Supply Chain platform to reach out to suppliers and offer encouragement, support, training and guidance (such as through webinars and discussions) about how to participate in the CDP climate change reporting initiative.

In 2020, we were proud to join nearly 400 companies in earning a place on CDP's Supplier Engagement Leaderboard in recognition of our work with suppliers to reduce their emissions and raise the level of climate ambition across our entire value chain. This places IFF among the top 7% of companies assessed for supplier engagement on climate change, based on our 2020 CDP disclosure.



Responsible Sourcing

ECOVADIS & SEDEX

We focus our supplier engagement efforts on 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 (Supplier Ethical Data Exchange), two supply chain information platforms that focus on the areas of environment, labor and human rights, ethics and sustainable procurement. In 2020, approximately 90% of IFF's business-critical suppliers¹ were assessed through EcoVadis or Sedex.

We use Sedex to run reports on our suppliers' ethical data, manage information on our own facilities and share information with our customers. We also use EcoVadis to assess ourselves as a supplier to our customers. In 2020, we were awarded the EcoVadis Platinum medal, a new and more selective designation introduced during the year. With this achievement, we are honored to be ranked among the top 1% of companies assessed by EcoVadis.



TOGETHER FOR SUSTAINABILITY

IFF is one of 29 members of **Together for Sustainability** (TfS), a global procurement-driven initiative that assesses and improves the sustainability performance of chemical companies and their suppliers. Based on the **Ten Principles of the U.N. Global Compact** and the American Chemistry Council's **Responsible Care**[®] principles, the TfS Framework evaluates member performance through a shared infrastructure of robust, standardized assessments and audits, the results of which are made available to all members through an online platform. Sharing our supplier sustainability assessments and audits with all members lessens administrative burdens, leverages synergies and avoids duplicate efforts for our suppliers. TfS assessments are carried out by EcoVadis and performance is assessed in the areas of management, environment, health and safety, labor and human rights and corporate governance – which align with IFF's Vendor Code. We combine the outcomes of these supplier-specific assessments with other criteria (such as country of manufacture) to conduct follow-up monitoring and determine supplier audit schedules. In 2020, we continued to work with suppliers on their corrective action plans identified through TfS audits.

TfS also enables member companies to work together by facilitating constructive dialogue regarding supply chain complexity, challenges and opportunities. Specific initiatives are led and executed by TfS members through targeted work streams. In 2020, TfS launched Grow&Deliver, a strategy and roadmap through 2025 to focus on the measurement of tangible impact through higher standards and collaboration, particularly in emerging markets around the world. IFF participates actively in the regional TfS North America committee, which holds meetings quarterly, as well as the annual TfS membership meetings. Our Chief Procurement Officer (CPO) is one of the TfS think tank members and participates in the TfS CPO discussions sharing best practices on strategic sustainability initiatives in procurement.

1. "Business-critical suppliers" contribute to the top 90% of IFF's direct global spend.

HOW WE SUSTAINABLY SOURCE NATURALS



Community Development Project and Biodiversity Program



Optimization Program: Agronomy / Mechanization / R&D Expertise



Organic Farming



For Life Ingredient Certification



Fair for Life Ingredient Certification



FairWild Ingredient Certification



Blockchain

CENTERS OF EXPERTISE

- Grasse, France
- Aumont-Aubrac, France
- Isparta, Turkey
- Benicarló, Spain
- Florida, U.S.



FRANCE

- Blackcurrant Bud
- Clary Sage
- Lavandin
- Lavender
- Orris Root



HAITI

- Vetiver

EL SALVADOR

- Peru Balsam



SERBIA

NEW

- Melissa
- Rose
- Immortelle
- Lavender



TURKEY

- Rose



EGYPT

- Basil
- Geranium
- Orange Flower



INDONESIA

- Patchouli
- Vanilla



TUNISIA

NEW

- Orange Flower



MADAGASCAR

- Black Pepper
- Cinnamon
- Ginger
- Patchouli
- Pink Pepper
- Vanilla
- Ylang-ylang



INDIA

- Davana
- Jasminum Sambac
- Jasminum Grandiflorum
- Tuberose
- Turmeric



AUSTRALIA

NEW

- Sandalwood



TOGO

- Citronella



NEW CALEDONIA

- Sandalwood

Responsible Sourcing

UNION FOR ETHICAL BIOTRADE

In 2020, as part of our journey to ensure that our products are made with ingredients sourced with respect for people and biodiversity, LMR Naturals by IFF (LMR) and Southern Cross Botanicals (SCB), a division of Lucas Meyer Cosmetics by IFF, became members of the **Union for Ethical BioTrade** (UEBT). The UEBT is an internationally recognized nonprofit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. After successfully passing the membership assessment in 2019, LMR and SCB submitted workplans focused on addressing identified gaps. In 2020, IFF published the Responsible Sourcing Policy to support their workplans. Moving forward in 2021 and beyond, we will continue to maintain our annual action plans and progress in reporting to UEBT.

Certifications & Continuous Improvement

IFF strives to source materials that have been certified by credible, internationally recognized, third-party environmental and social responsibility certification programs. We partner with our suppliers and invest resources to achieve certifications for strategic supply chains. We also encourage collaboration with industry peer groups and our customers to raise the bar on certified materials.

For example, within our botanicals supply chain, our guiding principle has always been to deliver premium, 100% pure and natural extracts, with a strict ethos of complete transparency and a commitment to environmental management and sustainable development. We 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.

We also strive to provide comprehensive information to our customers about the environmental and health impacts of ingredients. Using ISO 14040-14044 standards, we have conducted detailed lifecycle assessments for 10 key botanical ingredients, from vegetal to final extract. This includes measures of climate change impact, water consumed, ecosystem quality, resources used and human health.

INGREDIENT CERTIFICATIONS

Underscoring our commitment to responsible sourcing, ingredient certifications support the conservation of natural resources and improvement in the livelihoods of farmers and workers involved in our supply chain. In recent years, we have expanded our offerings of certified ingredients.

FOR LIFE

LMR Naturals by IFF (LMR) certifies specific supply chains and facilities through ECOCERT's rigorous **For Life** program. ECOCERT, a global specialist in the auditing and certification of sustainable practices, conducts inspections in more than 130 countries. For Life certification recognizes an organization's adherence to sustainability criteria related to human rights and fair working conditions; ecosystems, biodiversity and sustainable agricultural practices; and betterment of local impact.

LMR currently has 33 botanical families and 49 natural ingredients that are certified through the For Life program. The supply chains from which these ingredients originate include: rose from Turkey, vetiver from Haiti, geranium oil from Egypt, patchouli and ylang-ylang from Madagascar, jasmine and tuberose from India, patchouli from Indonesia, citronella from Togo and orris root and blackcurrant bud from France. Achieving these certifications is challenging, as it often involves years of work with growers and communities to improve their practices to meet the necessary criteria. LMR's operational facilities in Grasse and Aumont-Aubrac, France, as well as Isparta, Turkey, are also For Life certified by ECOCERT.

Responsible Sourcing

FAIRWILD

The **FairWild Foundation** aims to provide a worldwide framework for implementing a sustainable, fair and value-added management and trading system for wild-collected natural ingredients and products thereof. The FairWild Standard is a set of guidelines that ensures the continued use and long-term survival of wild plant species in their habitats. LMR first obtained FairWild certification for Peru balsam from El Salvador, an ingredient used in perfumery, in 2019 and the certification is renewed on an annual basis. The protection of this limited raw material is important because El Salvador is one of the only countries where large populations of these resin-producing trees are found. LMR's certification recognizes our commitment to natural resource conservation, sustainable harvesting processes and fair working conditions. This is the first FairWild-certified flavor or fragrance ingredient to be commercially available globally.

ORGANIC & VEGAN

As more of our customers seek certified organic ingredients to use in their products, we are proactively addressing this demand by obtaining these certifications for many ingredients. We have three operating locations with organic certification and 60 certified organic products within LMR (see [page 114](#)).

As affirmed by our **Animal Testing Policy**, IFF is a major supporter of the use of alternatives to testing on animals and as such, we do not test fragrance or flavor compounds on them. We also have an industry-leading position of 149 natural extracts in our portfolio that are certified by Expertise Vegan Europe, or **EVE VEGAN**[®], an independent certification body dedicated to the conformity of vegan products and vegan farming. This voluntary label is recognized worldwide as guaranteeing products free of ingredients from animal origin (i.e., from breeding, slaughter, hunting or fishing) and not tested on live animals. The method, manufacturing conditions and packaging are also subject to controls prior to certification.

COSMOS

The **COSMetic Organic and natural Standard (COSMOS)** signature is a consumer guarantee for organic and natural cosmetics that defines a set of criteria for companies to meet to ensure the highest feasible sustainability practices in their retail products. The certification ensures the absence of petrochemical ingredients and genetically modified organisms while ensuring environmentally friendly production processes in respect of biodiversity and human health. We are proud to help our customers reach their sustainability goals and commitments to consumers by contributing key ingredients to official COSMOS approved retail products. As of the end of 2020, we have achieved COSMOS approval for 122 essential oils, absolutes and other natural extracts in our portfolio, and we are continuing to increase this number over time.

Responsible Sourcing

ROUNDTABLE ON SUSTAINABLE PALM OIL

Palm oil production is linked to deforestation, biodiversity destruction and human rights abuses. At IFF, we use less than 0.1% of the palm oil and palm kernel oil produced worldwide, but we recognize we have an important role to play in ensuring that the palm oil in our supply chain – no matter how limited – comes from sustainable sources.

As a member of the **Roundtable on Sustainable Palm Oil** (RSPO) – a global, multi-stakeholder initiative to develop and implement global standards for sustainable palm oil – we seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance or human rights abuses. As outlined in our **Policy on Sustainable Palm Oil** (released in 2015), our goal was to have 100% of the palm oil, palm kernel oil and their derivatives used in our products be certified, according to the **RSPO Mass Balance Supply Chain Model**, by the end of 2020². We are pleased to say we reached this goal on time, ending the year for IFF with 97% RSPO certified volumes and 3% book & claim credits to reach 100%, as planned. This includes five legacy Frutarom sites that were previously RSPO members. Beyond 2020, we will refresh our palm oil commitment and continue to support sustainable palm oil sourcing.

IFF joined the **North American Sustainable Palm Oil Network** (NASPON) in 2020, an independent group of associations, civil society organizations and others committed to increasing the use of certified sustainable palm oil in North America. IFF participated in quarterly meetings and other events to build momentum toward our mutual sustainable palm oil sourcing ambitions.

We continued to utilize insights during the year from our recent palm traceability study. Upstream investigation was completed for nine suppliers in 2019, representing 93% of palm volumes for the IFF business (excluding Frutarom). The study included a supply chain mapping exercise that identified more than 1,400 mills and 70 refineries and crushers in our palm supply chain. Of those, the traceability results revealed that 22% of the mills and 85% of the refineries and crushers are RSPO certified. These and other insights from this study not only help to raise awareness on the limited availability of certified supply globally, but also help us identify our next steps for expanding responsible supplier engagement and purchasing practices. In this way, we aim to further increase transparency and encourage RSPO certification.

In order to meet customer demand for certified palm oil products, 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 currently have 22 facilities that meet the standards of RSPO Supply Chain Certification. Looking ahead, we will continue our close partnership with the RSPO and NASPON to further contribute to the sustainability of palm oil globally.

See IFF's annual communication of progress for the RSPO [here](#).

Strengthening Local Communities

Our commitment to responsible sourcing means we strive to improve the quality of life in farming communities, helping to make them more stable, resilient and prosperous. We annually re-evaluate where our efforts and investments will create the most value and how we can continue to reach more people.

In 2020, many of our activities, particularly social engagement opportunities and farmer trainings, were delayed or adjusted to accommodate important safety considerations related to the COVID-19 crisis. However, despite the challenges and limited capacity of our field work operations, we continued to move forward on our local community objectives.

Our work in Haiti, Indonesia and Madagascar offers three examples:

MOVING FORWARD ON VETIVER IN HAITI

In 2020, in cooperation with international development organization, **Heifer International**, and a development finance partner, we built on the success of our 2016 pilot program, **Vetiver Together™**, by launching the next phase of the initiative: **Vetiver Forward**. The three-year partnership will support more than 3,000 independent smallholder vetiver farmers across six cooperatives that are part of our supply chain, facilitating improved access to high-value markets, technical services and business training.

Vetiver root requires a 12- to 18-month crop cycle for optimal oil content and the farmers that rely on it as a primary source of income are often under financial pressure to harvest the crop early, leading to low-quality oil and poor profits. The roots also play an important role in stabilizing the soil. Promoting improved harvesting practices can reduce erosion, protecting fertile land and water in the soil, while decreasing the risk of floods and landslides.

Vetiver Forward will increase farmers' access to agricultural inputs for alternative income streams, such as beans, corn, sorghum and plantains, as well as livestock. An agroforestry component of the program – which includes six new tree nurseries – will support climate, soil health and biodiversity objectives, enabling farmers to sell fruits as an additional income source.

In 2020, when COVID-19 caused the market demand for vetiver root to drop, we fast-tracked parts of the program focused on increasing financial resilience through income diversification. Heifer International distributed cereal and bean seeds to the cooperatives for planting, and set up seed banks, where members can borrow seeds and repay them after harvest. They also focused on building strong leadership and governance models for long-term project success by:

- Establishing a Steering Committee to represent each of the six cooperatives, serving as a communications bridge to Heifer International, IFF and other program partners
- Supporting cooperatives to set up technical and advisory committees to represent members' views and support implementation of program activities
- Conducting Personal Leadership Development training for all 3,000 farmers that are part of the program

This new installment of IFF's longstanding commitments to support the farmers we work with in a sustainable vetiver supply chain in Haiti will help farmers formalize their operations, expand their knowledge of sustainable agricultural practices and further strengthen their bargaining power in markets.

Responsible Sourcing

SUPPORTING PATCHOULI FARMING IN INDONESIA

Popular for centuries and commonly used in fine fragrances as well as consumer products, IFF sources much of our patchouli oil from Indonesia, where the supply chain faces significant environmental, social and economic challenges – from deforestation and plastic waste to the high number of intermediaries involved in the process that can hinder transparency.

In 2020, we continued our shared value program to support patchouli farming communities in Indonesia through For Life certification in three main geographic areas (Bali, Sulawesi and Flores), where to date nearly 900 farmers have been For Life certified. In collaboration with a partner, we continued to drive producer engagement and empowerment through initiatives aligning income diversification with environmental restoration. In addition to addressing plastic waste management and sustainable firewood management, the program aims to enhance patchouli farming through the protection of local biodiversity. For example:

- Building on the success of the initial batch of 10,000 trees planted by farmers in 2019, we are on track to planting 75,000 trees – comprising 19 distinct species – by 2021
- In early 2020 (prior to the COVID-19 crisis), we conducted trainings on tree planting and maintenance with more than 200 farmers in 12 participating villages and distributed more than 33,600 tree seedlings for planting
- Agroforestry models shared with farmers during the training included:
 - planting trees around patchouli parcels to demarcate borders, stabilize soil and create natural barriers against wind and pests
 - planting trees within patchouli parcels to promote shade, soil fertility and biodiversity
 - densely reforesting unproductive or degraded lands to regenerate soil and enhance biodiversity

Learn more about this vertically integrated sourcing platform [here](#).

SUSTAINABLY SOURCING VANILLA IN MADAGASCAR

To support the communities in the important vanilla supply chain in Madagascar, we are working with key partners to address the most pressing economic, environmental and raw material challenges in the region. In 2020, we made progress on multiple pillars of this initiative:

- Enhancing supply chain traceability and transparency

With a key customer and other innovation partners, we launched a pilot program to leverage blockchain technology for our vanilla supply chain in Madagascar – our second natural ingredient blockchain (in addition to blackcurrant bud in France). Through the scanning of QR codes with mobile devices, the system permanently creates a timestamped and tamper-proof record by tracing each vanilla bean's journey through the supply chain. Beginning with a cooperative of 450 smallholder farmers, the platform brings greater transparency along the entire value chain by tracing vanilla beans along their path from initial sale at the farm level, to the local cooperative, to processing and ultimately to final destination. (Learn more on [page 15](#).)

- Improving vanilla quality and productivity

We continued to work closely with our farmers' association, made up of more than 400 producers, approximately 20% of whom are female. Through the association, we are providing a variety of benefits and support, including training on good agricultural practices that support sustainable improvements for vanilla cultivation. Through these tools, the program aims to increase producer yields and achieve high-quality product which can be maintained in the long term. These steps are also supporting vanilla producers to remain Fair for Life certified.

Responsible Sourcing

- Engaging communities and improving livelihoods

To support sustainable incomes for vanilla farmers – particularly during the quiet months of the annual campaign between pollination and harvesting – we are providing guidance and resources for crop diversification involving native plants that also have a commercial interest to IFF. We arranged access to free healthcare with local doctors and hospitals for more than 1,000 producers and their families in the community. We also safely distributed nearly 900 kits of school supplies for the 2020/2021 school year to children of farmers, which included notebooks, pens, pencils and other supplies.

- Preserving local ecosystems

To preserve biodiverse ecosystems in the region while expanding environmental awareness, we continued to expand our reforestation pilot program during 2020. Building on the two tree nurseries that we set up in 2019 (through which nine local managers oversaw the distribution of 2,000 seedlings to association members), this year we grew interest and participation and safely distributed more than 3,500 seedlings to farmers to plant on their land.

Looking ahead over the next four to five years, we aim to scale up the vanilla shared value program by including more producers, which will indirectly benefit more families and community members.

THE GIFT OF SIGHT

In addition to Madagascar, we are working to develop a secondary source of vanilla in Indonesia. Regardless of where it is grown, vanilla cultivation requires pollination by hand, which is time-consuming and labor-intensive. In 2020, after learning that around 80% of smallholder farmers at our locations suffer from age-related long-sightedness that makes the delicate task of pollinating vanilla flowers more difficult, we worked with a partner to safely conduct eyesight assessments during the harvest in May and June. Using a cutting-edge mobile technology that collects the basic measurements required for glasses, we conducted eye exams and delivered custom eyeglasses to more than 600 farmers by the end of the summer. The timing of the program ensured that our farmers all received a pair of customized glasses prior to the start of the 2020 vanilla pollination, which took place from late August to early November.



**DRIVING
CIRCULAR
DESIGN
PRINCIPLES**

SUSTAINABLE INNOVATION

In the face of large-scale global challenges such as climate change and natural resource scarcity, businesses are responding by making more sustainable decisions. At the same time, consumers are shifting their purchases toward wellness-focused products that are environmentally and socially responsible. At IFF, we are equipped for these shifts by embracing circular design principles and designing products that offer a positive contribution to people, society and the world around us.

Circular design is an emerging business ethos that aims to design waste out and create closed-loop systems in which materials are constantly reused and waste becomes a resource. It's a significant shift toward a restorative, regenerative economy and away from the unsustainable "take-make-dispose" approach of traditional linear design.

We have embedded our commitment to circular design across our business. At each step in our design process, we seek to ensure that ingredients come from nature (or are upcycled from other materials) and go back into nature, in a continuous cycle. This involves defining and identifying renewable and biodegradable feedstocks, using green chemistry and developing innovative products geared toward health and wellness.

As we continue this path, we seek to further ingrain the circular design approach into our culture and throughout our value chain. We aim to set a higher bar for environmental and social sustainability, both internally and externally. For example, delivery systems are an effective way to deliver scent and taste materials through better protection and targeted release. This has benefits for consumer delights and the environment. We are working to improve the overall sustainability profile of our delivery systems with regard to biodegradability, renewable carbon and overall environmental impact. We are also re-imagining how we address the challenge of waste through upcycling – a circular design principle of creating scalable, sustainable and value-added solutions by reusing products from typically discarded side streams.

KEY HIGHLIGHTS

- Developed and launched the Upcycled Extracts Collection, an ingredients portfolio of high-quality extracts made from several types of side-streams from our own processing or from discarded vegetal material from other industries
- Collaborating with academia and industry peers in consortia under the [Horizon 2020 \(H2020\)](#), the European Union's flagship research and innovation initiative to identify breakthrough discoveries that will ensure smart, sustainable and inclusive growth
- Announced the opening of a [new Innovation, Creation & Design Center](#) for our Taste division in Dubai, United Arab Emirates, to better serve our customers' unique needs and drive growth in the African, Middle Eastern, Turkish and Indian markets

LOOKING AHEAD

- Continue to drive sustainable innovation through a robust R&D pipeline
- Further embed circular design principles, including upcycling, into our products and processes
- Broaden and accelerate our capabilities to be able to offer our customers more sustainable product development options

Taste

As consumer preferences for food and beverage products with wellness attributes evolve at a faster pace than ever before, pioneering the tastes of tomorrow requires collaboration, science and creativity, as well as proactively re-imagining the possibilities of what the taste experience can be. In response, our Taste business focuses on innovative programs that reflect the consumer drive toward health, transparency and great taste in food and beverage products. Our industry is also affected by the often-unpredictable impacts of climate change on many of the crops in our supply chain. The Food and Agriculture Organization of the United Nations estimates that 30% of food raised or prepared is wasted globally, contributing to approximately 8% of global greenhouse gas emissions. In 2020, we continued to reassess applications for side-stream materials from manufacturing processes, conduct food waste-reduction pilot projects, commercialize new upcycled ingredients and further develop our pipeline of potential new opportunities across our business.

RE-IMAGINE INNOVATION PROGRAMS

To stay ahead of the curve on consumer and market trends, IFF's Re-Imagine programs focus on six key areas: culinary, protein, natural, delivery, modulation and citrus. Through a combination of future-trends analysis, market and consumer insights and a sustainability-focused development process, the global innovation programs serve unmet needs in the food and beverage market while contributing to positive environmental and social designs. Each Re-Imagine Innovation program is led by a global innovation director charged with overseeing innovation and product research and development.

RE-IMAGINE NATURAL®

Consumers want recognizable ingredients and increased transparency in their food and beverage products. Our Re-Imagine Natural global innovation program delivers natural, organic and label-friendly experiences to address the increased desire for trust, ingredient simplicity and transparency, and a healthier world. True to our circular design principles, we are also recovering biomass side-streams from several internal and external manufacturing processes and transforming them into unique natural taste and scent technologies. Learn more about our Upcycled Extracts Collection on [page 65](#).

IFF TASTE ORIGINS™ is an international brand within our Re-Imagine Natural global innovation program that enables manufacturers to address consumers' growing appetite for sustainable products. For example, our collection of Smoke & Grill Ingredients includes bold and authentic profiles that allow food and beverage manufacturers to create product designs with a smoke or grill taste using traditional source materials and novel techniques. The portfolio is made using sustainably sourced wood and, for the rosemary and hops smoke profiles, two upcycled raw material side streams:

Sustainable Innovation

- To create rosemary-smoked sunflower oil, we upcycle spent rosemary biomass, a side stream from a process elsewhere in our Taste business that would normally be incinerated or discarded.
- To create hops-smoked sunflower oil, we upcycle spent hops biomass, a side stream from the process of our exclusive partner, **BarthHaas**[®]. After extracting the natural aroma and bitterness components from the hops, the biomass side stream would normally be used as animal feed.

RE-IMAGINE CITRUS[®]

Citrus is the world's most popular tonality group across food and drink categories, but crop yields in several key citrus growing regions have dwindled over the past decade due to climate change and diseases such as citrus greening, making it increasingly complex for manufacturers to deliver on the customer demand for citrus. Re-Imagine Citrus is IFF's global innovation program designed to help develop the most sustainable taste designs for all citrus tonalities by supporting the use of citrus byproducts and promoting natural, non-citrus derived alternatives.

In the case of grapefruit, for example, we are resolving issues where it is impossible to use genuine grapefruit oils due to availability, cost or quality deterioration. Through our citrus extender approach, we identify unique molecules, assess their flavor potential and mimic natural pathways without wasting natural resources or competing with limited fresh fruit supplies. Through this technology, we can replace the use of natural oils in a way that is resistant to market volatility, facilitates cost savings and conserves genuine grapefruit oils for those applications that require it.

We also accelerate innovation through key partnerships and collaborations with startups that utilize circular design principles to enable sustainable ideas to go to market quickly. To support IFF's Re-Imagine Citrus Upcycled Orange product line, we partnered with Dutch startup, **PeelPioneers**, to utilize fresh orange peels that would otherwise be discarded from retail settings in the Netherlands. Orange peels are naturally rich in essential oils and cannot be composted as easily as other fruits and vegetables because of their high essential oil content. Thanks to PeelPioneers' agreement with one of the largest commercial waste management companies in the Netherlands, discarded fresh peels are delivered to the PeelPioneers factory within 72 hours of juicing, where they are washed and treated to obtain a high-quality, oil-in-water emulsion via cold extraction. IFF uses the resulting essential oil to create signature taste designs that help meet the market demand for natural orange flavorings and extracts without stressing the citrus supply chain.

Learn more [here](#).

IFF HEALTH

With circular design principles in mind, IFF continues to build on our strong innovation pipeline with expanded capabilities in fast-growing categories. This includes natural health and nutrition ingredients derived from plants and herbs and used in dietary supplements, functional food, infant and elderly nutrition, cosmetics, personal care and other over-the-counter products. We are continually developing new formulas to meet changing consumer preferences and customer needs.

In 2020, for example, we launched **CitroVen**, a plant-based nutritional supplement to support positive health effects by combining active components from three raw materials that are locally and sustainably sourced from side streams of the food industry. Specifically, the blend utilizes:

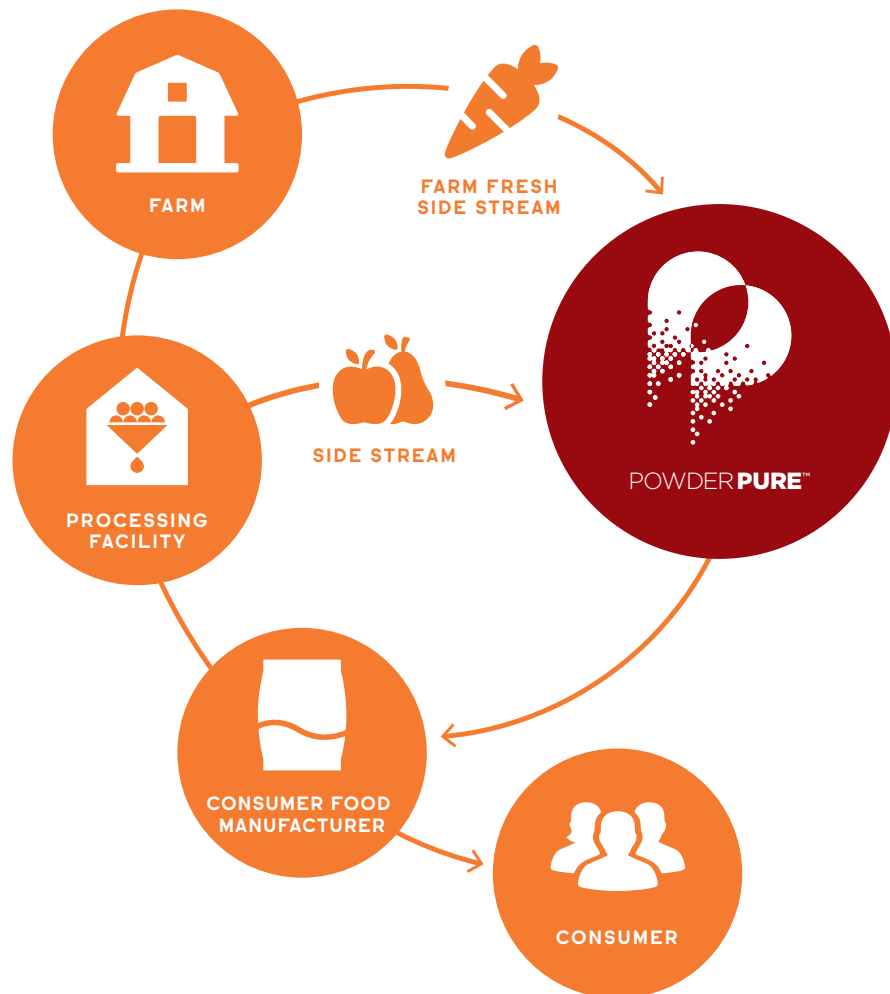
- Olive leaf extract from leaves of pruned branches that would otherwise go unused; and
- Actives from unripe grapefruits and bitter oranges that have been naturally culled from citrus trees in order to leave space for other fruits to grow. Rather than being incinerated as waste, we are upcycling these citrus byproducts, as they contain the highest concentrations of the desired nutritional actives at this smaller and unripe stage of their development.

POWDERPURE

At IFF, we see an opportunity to reduce food waste by converting excess fruits and vegetables into nutritious, value-added food ingredients. We are also in a unique position to do this through a special combination of technology and expertise in natural materials and powder design. With our patented INFIDRI™ infrared dehydration technology, gentle infrared light waves are used to target the water molecules in fresh food, thereby significantly extending its shelf life while uniquely preserving its nutritional content.

IFF's PowderPure has developed Uncommon Harvest™, a collection of upcycled powders derived from food-loss streams at farms and in processing that are not otherwise utilized. Waste streams for upcycling product designs include:

- Imperfect produce from farms, such as oranges and watermelons
- Overproduction of produce from farms, such as spinach
- Harvest byproducts, such as cacao pulp, cacao juice and cascara
- Side streams from processing facilities, such as the water remaining from the blanching of mushrooms prior to canning
- Pomace (the pulp and residue remaining after produce has been crushed for juice extraction), such as that from blueberries or cranberries



Scent

Our Scent division defines its innovation strategy by creating sustainable fragrance compounds, ingredients and integrated solutions. Our curiosity drives us to find new ways to create innovative scents that are socially responsible and good for the planet. This means creating a full palette of materials inspired by circular design that meet the evolving needs of our customers and consumers.

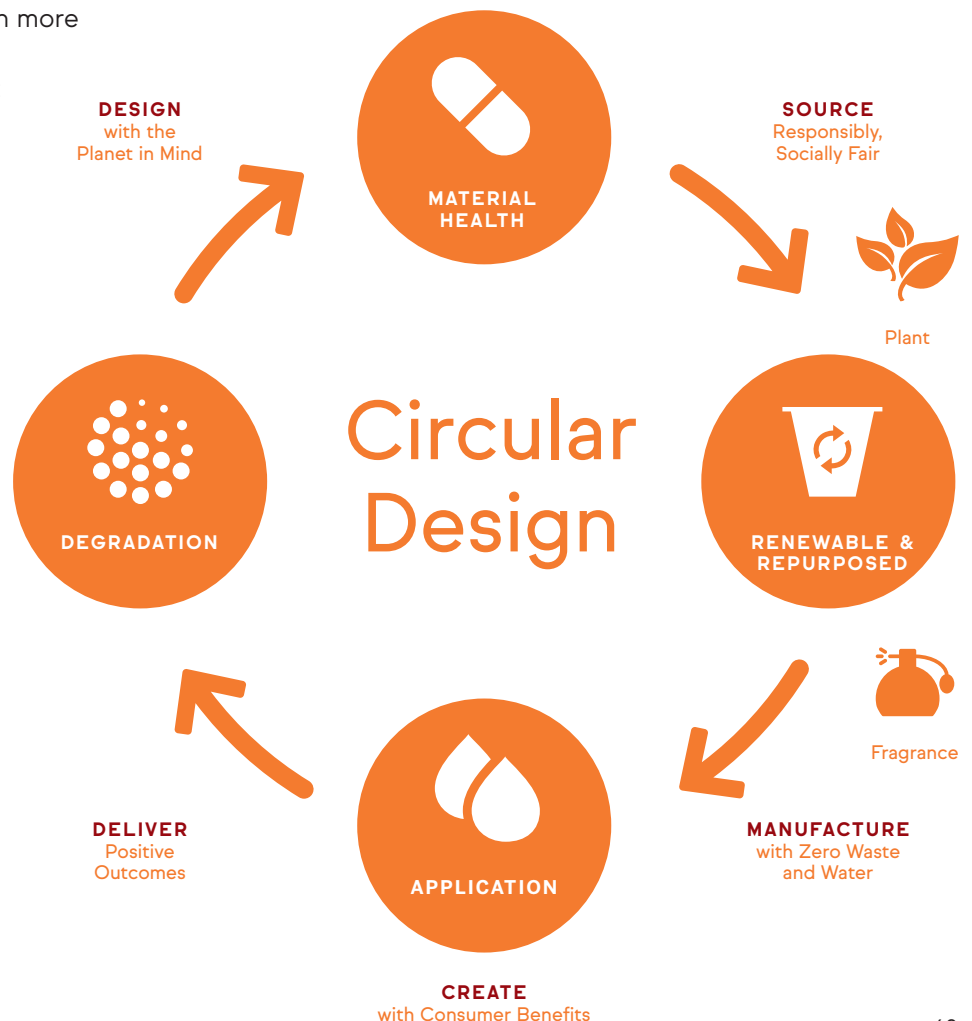
We look forward to further expanding these capabilities through the integration with DuPont N&B. By leveraging our combined strengths, we will be able to accelerate our ability to deliver against our core strategy in new ways, including through advancements in biotechnology, enzymatic chemistries and more.

CIRCULAR DESIGN

To bring a circular design approach to the world of scent creation, we begin by designing with the planet in mind. From the earliest stages of our R&D processes, we assess the material health of each ingredient against standards that exceed regulatory requirements. We also ensure that raw materials are renewable or upcycled and sourced in environmentally and socially responsible ways.

Next, we create products with consumer benefits and health applications in mind, manufacturing them in ways that use renewable energy and minimal natural resources, and generate zero waste, where possible. Finally, after delivering positive outcomes, nearly 100% our ingredients (and all new ingredients since 2019) are designed to biodegrade back into the ecosystem, completing the biological cycle of a circular economy.

In the last few years, we have made the sustainability metrics of our fragrance ingredients even more transparent for our perfumers, enabling them to more easily find ingredients that meet their standards when creating sustainable perfumes. Approximately half of the ingredients in our catalog are renewable, and every odor family is well-represented. Still, we are continually addressing gaps in our catalog through a variety of initiatives, including work on raw ingredient integration, as well as new process and formulation technologies.



Sustainable Innovation

FINE FRAGRANCE AND PERSONAL CARE TRANSPARENCY

Environmental Working Group (EWG) Verified™ products meet the strictest health, safety and environmental standards by avoiding chemicals of concern, fully disclosing ingredients to consumers and following good manufacturing processes. **Cradle to Cradle Certified®** is the world's leading science-based standard for safe, circular and responsible materials and products. To achieve certification, products are assessed for sustainability performance across five critical categories: material health, material reuse, renewable energy and carbon management, water stewardship and social fairness.

IFF is proud to work with our Scent customers to help them meet their goals in circular design and transparency. As the first in our industry to embark on this circular design certification journey – and now with significant experience with the leading product standards – we have a sizable and growing subset of our ingredient catalog that is pre-assessed to meet circular design objectives, such as meeting the Cradle to Cradle Certified Platinum level for material health.

In 2020, for example, we continued to collaborate with **Henry Rose**, founded by actress Michelle Pfeiffer in 2019 as the first fine fragrance to disclose 100% of its ingredients. The collection – comprised of eight distinct, genderless scents – is both EWG Verified and Cradle to Cradle Certified – which has set a new precedent for transparency.

GREEN CHEMISTRY

Green chemistry principles are crucial to our evolution as a circular design company. These widely used principles – centered around energy efficiency, the use of renewable raw ingredients and the avoidance of hazardous materials – are well integrated in our R&D practices, beginning at the earliest stages of design.

From the R&D phase to commercial production, IFF scientists have used our proprietary **Green Chemistry Assessment Tool** to quantitatively score the overall sustainability of our ingredient catalog, products and processes. We developed and implemented this tool to meet the development needs of IFF's flavor, fragrance and encapsulated products, using our own standardized scoring system for a set of key green chemistry principles. In addition to improving the culture of “green thinking” at IFF, the assessment tool is helping to facilitate significant reductions of waste, more efficient use of resources, greater energy efficiency and improved worker safety, among other benefits. In short, this approach is allowing for a systematic and structured approach toward more sustainable products and processes at IFF.

Sustainable Innovation

Our Lucas Meyer Cosmetics by IFF (LMC) business unit, which develops innovative ingredients for the cosmetic and personal care industry, began identifying green chemistry practices in 2019. In 2020, LMC conducted a number of green chemistry assessments using IFF's own Green Chemistry Assessment Tool, along with other frameworks relevant to the cosmetic industry, to determine how well green chemistry principles are embedded within its products and processes. In 2021, we will apply these learnings to continue to progress on our sustainable innovation journey.

One key focus of our green chemistry efforts is finding novel waste-reduction methods and biotechnological innovations to create natural products from abundant raw ingredients, rather than depleting important resources such as food. This includes converting the byproducts of our natural product processes into useful fragrance ingredients. For example, our terpene-based chemistry utilizes an abundant, readily-available natural raw material – a pine-based side product from the paper industry – to create a number of high-performing fragrance ingredients.

In addition, we are moving toward greater use of renewable carbon in our products. Carbon management, besides being an important part of sustainable business practices, is increasingly valued by consumers. We are actively seeking to increase the proportion of bio-based carbon in all our fragrances.

UPCYCLED EXTRACTS COLLECTION HIGHLIGHT: ROSE

We are leveraging our green chemistry principles to pioneer the development of new upcycled ingredients as part of our environmentally conscious and vertically integrated supply chains around the world. LMR Naturals by IFF – in collaboration with IFF's Re-Imagine Natural® global innovation program – has developed the Upcycled Extracts Collection, an ingredients portfolio that utilizes several types of waste: harvest byproducts, such as seeds; spent extraction material, such as pulp; or side streams from processing facilities, such as wastewater.

For example, within our For Life-certified rose sourcing platform in Turkey, we are combining three complementary processes – petal distillation, water exhaustion and residue extraction – to allow the valorization of the full potential of the original flower with less waste.

Valorization of Rose from Turkey



Sustainable Innovation

- **Rose Essential™:** Once fresh rose petals are carefully handpicked, they are immediately distilled, producing rose essential oil and rose water. In the past, the aromatic wastewater from the process was discarded, but our scientists realized we could reuse the water and combine it with essential oil to create a new, higher quality extract. Rose Essential now offers perfumers and flavorists the complete palette of the rose, revealing a scent just as we would smell it in a fresh field.
- **Rose Ultimate™ Extract:** After distillation, we realized that the spent rose petal residues still contain heavy scent compounds. By completing a secondary processing of petals that would otherwise be discarded or offered to farmers as compost material, we are now able to capture these molecules. The resulting extract brings to light unsuspected notes of rose, including fruity apricot, tea and hay notes with a background of tobacco and leather.

In the past, one hectare of rose cultivated for one year in Turkey yielded 4 tons of rose petals that processed into 1 kilogram of rose oil. Today, 4 tons of rose petals yields 2 kilograms of Rose Essential and 3 kilograms of Rose Ultimate Extract. Learn more in our [video](#).

External Innovation

At IFF, we've always been unconventional in our collaborations and unlimited in our exploration. We leverage strategic partnerships and memberships to help us drive innovation and deliver regenerative products. By working with partners – from university researchers to sustainable development experts – we are creating products that help both consumers and the environment.

We champion and seek out creators developing novel and innovative technologies for the Taste, Scent, Nutrition, Health & Wellness and Sustainability areas. In February 2020, we invited a group of forward-thinking entrepreneurs to showcase their technologies and products to IFF. The goal of the event was to further engage with the startup ecosystem and identify new partnership opportunities. We currently have several projects with key partners focused on carbon sequestration, plastics degradation and upcycling, as well as the use of AI platforms to accelerate the development and discovery of compounds of interest. These solutions are driving new efficiencies, reducing costs and improving our sustainability metrics.

SUSTAINABLE INNOVATION ON THE HORIZON

We are excited to be working toward breakthrough discoveries that will ensure smart, sustainable and inclusive growth through our partnership with **Horizon 2020 (H2020)**, the European Union's flagship research and innovation effort. IFF is playing a key role in three H2020 projects that will run through 2024:

1. **SunCoChem** (Sun Driven CO₂ Conversion into Green Chemicals) is developing a reactor to manufacture valuable chemical products from renewable energies using CO₂ (present in flue gas), water and sunlight. The aim is to provide the industry with a new way to obtain oxo-chemicals without using raw materials derived from fossil fuels.

IFF is one of three industrial partners that represent potential end-users of this technology, which would lead to a reduction in our CO₂ emissions, energy consumption, water usage and dependence on fossil-derived feedstocks. We are providing a test-site environment for the case study to ensure the scalability and feasibility of the process for the fragrance industry.

2. **Multistr3am** focuses on microalgae, which has the unique ability to convert atmospheric CO₂ into highly sustainable building blocks of biomass. Multistr3am aims to overcome existing barriers to using microalgae by bringing down the costs of cultivation, harvesting and downstream processing, using a new kind of biorefinery to create high-quality, in-demand products at scale.

Through this collaboration with several industry partners, IFF is helping to validate whether algae materials can be successfully converted to high-quality building blocks for micro-encapsulation and fragrance ingredients, thereby displacing fossil fuels. Additionally, select waste streams have the potential to be repurposed as feed stocks for algae cultivation, building the way to a more circular economy.

3. **Plenitude** aims to increase the availability of sustainable, meat-alternative food-grade protein by building a first-of-its-kind bio-based value chain. The unique, zero-waste process couples an aerobic fermentation plant (to produce a food-grade protein) with a conventional bioethanol refinery that uses sustainable inputs. Plenitude has the potential to deliver savings equivalent to ~5 tons of CO₂e emissions for every ton of mycoprotein consumed (~82% CO₂ reduction compared to meat protein).

IFF's role is to perform consumer and market studies of new protein sources as meat alternatives. We are also working with our partners to develop market-appropriate products using IFF's standard taste ingredient toolkit and product application insights.

Opportunities being explored include CO₂ capture and utilization, supporting the circular economy through upcycling and zero-waste processes and expanding the availability of plant-based protein.



**STRENGTHENING
OUR CULTURE
& VALUES**



PEOPLE & COMMUNITIES

Every day is an opportunity to make a positive difference for our employees and our communities. We know that the work we do is woven into the day-to-day moments that make life special, and we are honored to play such a powerful role in consumers' lives. To drive breakthrough innovation and top performance, we aim to develop and engage employees through effective talent management, career development and workplace health and safety programs. We also strive to identify and implement unique opportunities to give back to the communities where we source and operate.

Our Human Resources operating model, overseen by our Chief Human Resources and Diversity, Equity & Inclusion Officer, (CHRO) focuses on three primary areas that enhance the employee experience while driving business results:

1. Define: Partnering with the business to ensure that talent implications and requirements are considered during the development of business strategy
2. Design: Creating, rolling out, implementing and embedding global talent programs and tools that help successfully execute business strategy, once defined
3. Deliver: Providing people services and solutions to the regions, countries and sites, once defined and designed

A fourth area that overlays each of these building blocks – **Deploy** – includes an agile team that supports the CHRO in connecting the strategic talent vision with corporate priorities and goals to ensure a holistic and impactful HR management approach.

KEY HIGHLIGHTS

- Demonstrated and expanded IFF's culture of high-performance by implementing a comprehensive program focused on three critical attributes: extreme accountability, bias toward action and effective collaboration
- First company to achieve Global EDGE Move certification for gender equality, following country-level certifications in 21 countries
- Honored by the Human Rights Campaign as a Best Place to Work for LGBTQ Equality for the second consecutive year after receiving a perfect score of 100 on the 2020 Corporate Equality Index

LOOKING AHEAD

- Expand engagement activities across the organization to help reinforce and celebrate our values and our culture
- Include more countries in our next EDGE assessment and continue to strengthen our commitments to gender equality
- Further expand and integrate safety best practices globally, including aligning systems and training programs at all sites

Employee Engagement

In 2020, we rolled out a comprehensive culture program designed to embed three attributes into the culture: extreme accountability, bias toward action and effective collaboration. Through local and global activities led by teams of culture ambassadors, the program took performance in these three areas to new levels during the year by providing a variety of engagement opportunities, such as self-paced learning, webinars, virtual events, employee recognitions and senior leader videos.

The recognition program within the broader campaign was launched to help reinforce the demonstration of our three high-performing attributes. Employees were encouraged to recognize their colleagues for jobs well done through our online recognition portal. Submissions were tracked and reviewed by a team of culture ambassadors from each site, and then recommended for special companywide acknowledgments from the CEO and CHRO. Between the launch of the recognition program in June 2020 to year-end, more than 43,000 individual pieces of recognition were given in total.

HIGH-PERFORMING CULTURE PROGRAM 2020 MILESTONES

EXTREME ACCOUNTABILITY	BIAS TOWARD ACTION	EFFECTIVE COLLABORATION
<ul style="list-style-type: none"> ● Kicked off in February 2020 ● Online training courses on Accountability and Trust; Managing Work and Expectations; and Emotional Intelligence ● 5,353 employees trained by culture ambassadors at virtual events 	<ul style="list-style-type: none"> ● Kicked off in June 2020 ● Online training courses on Decision-making; Prioritization and the Positive No; and Project Management ● 4,938 employees trained by Culture Ambassadors at virtual events 	<ul style="list-style-type: none"> ● Kicked off in August 2020 ● Online training courses on Conflict Management; Influence and Negotiation; and Diversity & Inclusion ● 4,986 employees trained by Culture Ambassadors at virtual events

In early 2021, as part of our combination with DuPont N&B, we also announced a refreshed set of values and culture principles to support our new purpose, vision and organization. Our five values of empowerment, expertise, integrity, innovation and responsibility are fundamental beliefs that guide individual behavior and clearly define what we stand for. Our culture principles represent our purpose, vision and values in action: act as an owner; be agile; and collaborate and win together. For more information, please see [Who We Are, page 17](#).

EMPLOYEE FEEDBACK ON CULTURE & VALUES

To ensure the refreshed values and culture principles would resonate with employees, in 2020 we conducted focus group sessions and interviews with hundreds of employees and leaders. We also heard from more than 2,000 employees in a companywide survey focused on culture. We used the feedback and responses from this process in 2020 to not only inform the refreshed values and culture, but also the accompanying program that will support the roll-out in 2021. This year's outreach followed employee surveys previously conducted in 2018 and 2016. In 2021, we will continue with quarterly pulse checks on employee sentiment and engagement.

7,300+
employees
accessed and
participated in
e-Learning focused
on our three
culture principles.

Talent Management

IFF's talent acquisition strategy is built around delivering the best possible candidate and hiring experience. To achieve this, our approach to talent management incorporates a personalized feedback process, supported by industry-leading assessment tools. We measure our own performance and identify areas for improvement in how we recruit, screen and select best fit candidates. We also adapt our approach based on internal feedback and other indicators of program effectiveness, such as that gathered from outreach campaigns, town halls and other employee engagement opportunities. In 2020, IFF's team of expert in-house recruiters was expanded with new capabilities for our Middle East and Africa region to complement the existing deep experience in our North America, Latin America, Europe and Asia regions.

Career ladders are designed to provide an accessible global framework for vertical professional development and career planning. They are organized according to job function and tailored for specific commercial and technical positions in our Taste and Scent businesses. Clear expectations are outlined for specific roles at all levels, including the knowledge, experience, skills, competencies, performance expectations and criteria for success. In combination with our training programs, career ladders help employees manage their learning and development progress and provide a roadmap for building a successful career at IFF.

Learn more about the opportunities IFF offers at our [Careers page](#) and our [Job Opportunities page](#).

PERFORMANCE MANAGEMENT & REVIEWS

Performance management at IFF is a continuous and personalized process. Managers and their direct reports work together to develop annual objectives that support core business priorities as well as professional development goals. We use an online performance management system that captures performance history, strengthens accountability and enhances transparency. All **permanent employees** as of September 30, 2020 had access to the performance management system and received performance reviews. Employees receive formal progress evaluations twice a year, creating opportunities for feedback to drive continuous improvement. Beyond those conversations, managers are encouraged to provide feedback throughout the year. The feedback process is further enabled by the implementation of various industry-leading assessment tools. Those targeted tools provide exceptional insights for managers, and when coupled with facilitation, elevate the performance of our employees and teams.

In addition to regular performance reviews, IFF conducts multilevel internal talent reviews several times each year to engage our most critical talent¹ and demonstrate that IFF supports their careers. Our Board recognizes that one of its most important duties is to ensure excellence and continuity in our senior leadership. This is partially accomplished by overseeing the development of executive talent and by planning for the effective succession of our Chairman and CEO and other senior members of executive management. As part of this process, our CEO and our executive officers are required to prepare detailed development and succession plans for themselves and for their direct reports on an annual basis. Those reports build upon similar reviews, occurring at multiple levels within IFF.

1. "Most critical talent" is internally defined as those individuals who have the highest performance ratings over time and the highest potential scores over time, as determined during annual review cycles.

LEARNING & DEVELOPMENT

Because so many of our career tracks are unique to our industry, we provide a variety of blended professional opportunities tailored to specific careers. We look for appropriate educational backgrounds and expertise when hiring for these positions, and we have found ways to develop important skillsets in-house as well as in collaboration with well-respected educational institutions.

- **IFF University** offers an educational learning architecture that drives learning opportunities, maintains a consistent and cohesive approach to our business strategy and provides a continuous leadership and management development environment. Accessible to every employee, it includes in-house technical schools relevant to our industry, such as our Flavorist School and our Sensory University. These curricula further support IFF's next generation of talent – from perfumers and flavorists to R&D scientists, engineers and executive leaders.
- We offer an integrated learning solutions platform for employees to embrace their own learning and development and act as their own personal champions for sharing knowledge at IFF. The platform offers a catalog of training modules, including access to more than 20,000 pieces of content translated into 17 different languages, in a variety of engaging formats. Pre-built courses in the online library are offered in categories such as personal development, leadership development and operational development. The personalized format encourages team collaboration and includes text, videos and learning tools that can be downloaded or printed. This tool has been an important part of our High-Performing Culture campaign (see [page 72](#)) and further supports a culture of learning across the organization.
- In partnership with the world's premier perfumery school, ISIPCA (Institut Supérieur International du Parfum, de la Cosmétique et de L'aromatique Alimentaire), IFF offers a **Masters in Scent Design and Creation**, the first and only accredited program of its kind. Launched in 2016, this highly selective program immerses students in the foundations and pioneering advances of the profession. Classes are held at ISIPCA's state-of-the-art campus in France, the historic heart of perfumery culture. This program is also an important source of diverse talent for IFF. Learn more about the recent graduates and their perfumer mentors [here](#).

Looking ahead, our goal is to continue to grow these programs by expanding enrollment and access to educational tools that further support our employees.

MANAGEMENT & LEADERSHIP PROGRAMS

Leadership development empowers participants to become forward-looking, inspiring and capable decision-makers, agents of change and great leaders. To cultivate talent and sustain long-lasting careers at IFF, we offer several specialized courses for employees. These provide blended experiences at every career stage while providing on-demand opportunities to meet specific needs. In 2020, we trained nearly 200 of IFF's future leaders. For example:

- Management Essentials, our junior manager training, was offered to more than 100 first-time managers during 2020. Composed of self-paced courses and live group webinars, Management Essentials lasts two months and covers key concepts such as giving and receiving feedback, managing performance and managing workplace conflict.
- Our People Leader Program is designed for first-line supervisors, managers with direct reports and employees who are new to management. Participants spend six months building a foundation for understanding leadership while broadening their perspectives and expanding their internal networks. In 2020, 90 employees participated in the program – 30 in Europe, Africa and the Middle East; 30 in Greater Asia; and 30 in North America/Latin America.

BENEFITS & WELLBEING

IFF offers an array of competitive benefits to meet the diverse needs of our employees and their eligible dependents. From healthcare to holidays, our aim is to help our employees enjoy happy and healthy lifestyles, while maintaining a good work-life balance.

We also recognize the importance of supporting employee wellbeing in different ways around the world. In the United States, for example, we offer a program that helps employees reach personal health goals and make improvements to avoid future health problems. Employees can learn vital information about their overall health by taking an assessment and participating in a biometric screening. They can then earn credit and rewards for completing program activities in support of improved health outcomes.

Given the health and socioeconomic challenges of 2020, we made important resources available to support employees who were struggling. This included access to telehealth solutions; testing and treatment services; emotional support resources; 24/7 digital resources to stay informed; and other wellness resources such as at-home fitness workouts, healthy recipes and tips to manage stress. We also extended the IFF Family Fund to provide financial assistance in the form of grants to employees, or family members living in the same household, directly impacted by COVID-19. The Fund was originally established to assist employees on an immediate and short-term basis who may be victims of natural disasters or other emergency hardship situations.

We also continue to offer programs that support the flexibility and work-life balance of our employees, including the following:

- **Vacation Time:** In addition to the observance of holidays throughout the year, we provide eligible employees time off based on their years of service.
- **Paid Time Off:** We maintain a discretionary paid time off program for employees to deal with emergency situations and unexpected or unavoidable events.
- **Flexible Work Program:** We rolled out a global flexible work program in 2018 that offers two options for employees: Flex Time (a standard five-day workweek with a set schedule that includes core hours and untraditional start and end times) and Flex Week (a work schedule that compresses the standard number of hours in a workweek into fewer, longer days). The program goal is to help reduce employee stress caused by conflicting personal and professional priorities; increase job satisfaction, energy and creativity; and allow opportunities for employees to pursue other interests, such as education or participation in community activities.

Diversity, Equity & Inclusion

We believe that our differences make us great. When we all come together, imagination comes to life, as captured in our diversity, equity and inclusion (DE&I) vision: “Your Uniqueness Unleashes Our Potential.” Our journey to full inclusion is a continuous one that will never be complete. However, we are committed to being the most diverse, equitable and inclusive company that we can be.

To that end, we are dedicated to nurturing a truly inclusive and fair culture through the three pillars of our DE&I mission:

- **OUR PEOPLE** represent the mosaic of the markets we serve and are empowered to transform the future
- **OUR SPIRIT** nurtures an inclusive and fair culture where every voice is valued and heard
- **OUR WORLD** embraces diversity of thought and strives to Do More Good, creating a better future for all

To execute on this mission, we strive for global consistency and local relevance. That is, while we operate as a multinational company, we aim to ensure that each program, platform and initiative is conducted in a global framework that ensures there is consistency across the enterprise. At the same time, each program, platform and initiative must be translated in ways that resonate with our colleagues and stakeholders at the local level around the world.

Our DE&I governance structure ensures the development and execution of our strategy. The employee-led Global DE&I Steering Committee oversees the work of the DE&I Center of Excellence, led by our Global Head of Diversity, Equity & Inclusion. The Committee’s strategy and annual plan are presented as recommendations to the CEO and the EVP, Chief Human Resources and Diversity, Equity & Inclusion Officer. Several other Executive Committee members, who report directly to the CEO, provide executive sponsorship for our six global Colleague Community groups (see [page 82](#)). As part of the governance structure, employee-led initiative teams focus on specific areas and actions to support and advance the three pillars of our DE&I mission.

We have a Regional Inclusion Council in each of our five IFF regions that are responsible for identifying and delivering regional and locally specific DE&I activities while supporting global initiatives across each region. The Councils help to provide a source of feedback to the DE&I Office and Global DE&I Steering Committee about key inclusion priorities at the local level. We use this input, along with other employee feedback received throughout the year, to evaluate the effectiveness of our DE&I approach and identify new opportunities for engagement.

OUR PEOPLE

REPRESENTING THE MOSAIC OF MARKETS WE SERVE

Although we are one company, we are a collection of individuals with different backgrounds and experiences. Racism, bias and discrimination have no place at IFF, and we will not tolerate them in any form. We are by no means perfect, but through dedicated actions, we are working hard to create safe spaces that empower employees to share their unique experiences and work toward affecting change. We draw strength from our diversity, and we are committed to creating safe environments for each of us to ask questions, respect answers and appreciate one another's contributions to our IFF family.

Globally, we focus on four primary DE&I themes and select external partners for each that are experts in their respective fields to guide us along our journey. These collaborations allow IFF to use established methodologies in support of systemic positive change, while joining with likeminded companies to exchange best practices. In 2020, these efforts included the following:

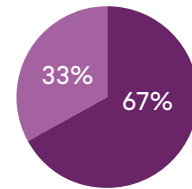
- **Gender parity:** We continue to align with the U.N. Women's Empowerment Principles, a set of seven tenets to advance and empower women, and provide equal treatment in the workplace, marketplace and community. In 2020, we also expanded our partnership with Economic Dividends for Gender Equality (EDGE), our global advisor on gender parity. EDGE holds a leading methodology and certification process to guide organizations on gender representation, pay equity, effective policies and practices and the inclusiveness of an organization's culture. EDGE sets the minimum threshold of targeting at least 30% of either gender at all levels of the organization. As of the end of 2020, IFF met that threshold, with women making up 38% of IFF's global workforce, 33% of our Executive Committee and 31% of Upper Management. As we begin to understand the impact of our combination with DuPont N&B merger on our gender diversity numbers, women currently represent 33% of the post-merger Executive Committee and 50% of the business unit leads.

While we are pleased to have earned a GLOBAL EDGE Move Certification in 2020 – which confirmed equal pay for equivalent work in 21 countries assessed – our journey is far from over. Looking ahead, we will reassess our gender diversity targets as part of our integration process with DuPont N&B. As we continue to move toward full gender parity, we will also:

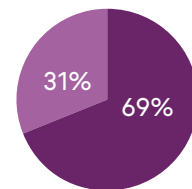
- Incorporate specific targets for senior leaders around gender parity and other DE&I milestones
- Use gender-inclusive language in job descriptions and postings globally
- Expand gender-bias training to colleagues with responsibilities in hiring and recruitment
- Establish checks and balances that take gender into consideration for succession planning
- Formalize a global family leave policy

2020 GENDER DIVERSITY BY EMPLOYEE CATEGORY

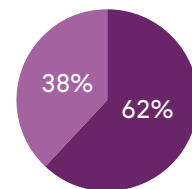
(Permanent Employees)



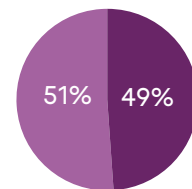
EXECUTIVE COMMITTEE



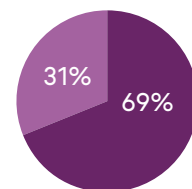
UPPER MANAGEMENT



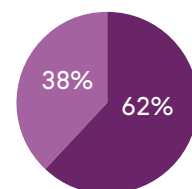
MIDDLE MANAGEMENT



JUNIOR MANAGEMENT



OPERATIONAL



GLOBAL

Gender
 ● Female ● Male

People & Communities

- **Racial equity:** The injustices suffered by People of Color in the United States, Brazil and many other countries around the world are not new. However, due to multiple high-profile incidents during 2020, the topic of social justice received renewed global attention. Unfortunately, this trend has continued, including a recent uptick in xenophobia, hate crimes and violence against the Asian community.

IFF's unequivocal position is that racism has no place in our organization. As part of our CEO's continued support for the **CEO Action for Diversity & Inclusion™ pledge**, we launched a "Day of Understanding," a series of globally consistent, locally relevant discussions of race, ethnicity and inclusion at IFF. The intention was to support a mutual understanding of our colleagues' experiences, while identifying and implementing meaningful action steps forward. We will continue this dialogue in 2021 and welcome more regions and voices to the table.

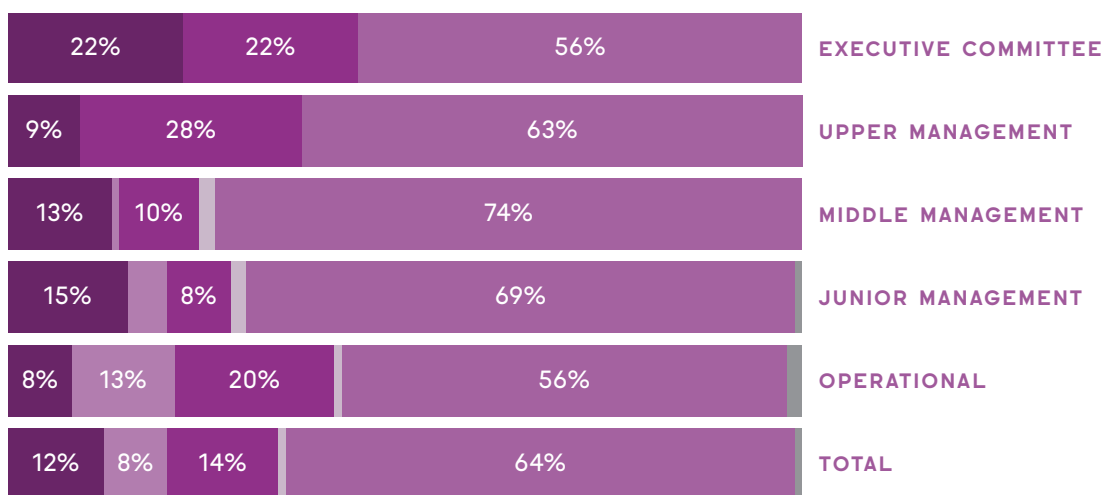
Yet making statements about racism and showing support for communities that face injustices is not enough. While we cannot rid the world of racism, we can commit to creating change within ourselves and our workplace. As an example of a small first step in our recruitment process, our team in Tamboré, Brazil, removed English fluency as a requirement for applying to the internship program. In 2020, this resulted in an intern class made up of more than 50% Black Brazilians, up from having no Black Brazilians in the program in 2019. Moving forward, we will be working to identify and correct other examples of potential institutional racism in our policies or practices.

IFF's ethnic diversity by employee category in the United States has a mixed story of both success and opportunity for improvement. For example, while 44% of our U.S.-based Executive Committee are People of Color (reported globally based on U.S. Equal Employment Opportunity Commission categories), this group does not include Black or African American colleagues. We also have significant room to improve the racial diversity across all other levels of management and operations. As part of a series of steps we are taking to set us on a path toward more inclusive representation in the future, in 2020 we hired a University Relations Lead whose charge is to identify new pools of diverse talent.

In 2021, among other actions, we will also be reevaluating our internal talent programs to ensure that any barriers to advancement are removed, and intentional pathways are established to accelerate growth of our high potential Black colleagues.

2020 ETHNIC DIVERSITY BY EMPLOYEE CATEGORY

(Permanent Employees, U.S. Only*)



Ethnicity

- Asian**
- Black or African American
- Hispanic or Latinx
- Two or More Races
- White
- Not specified
- Native American or Alaska Native

* Based on U.S. government reporting EEO data ** Includes Native Hawaiian or Pacific Islander

People & Communities

- **Lesbian, gay, bisexual, transgender, intersex, queer and questioning (LGBTIQ+) equality:** We continue to use the U.N. Global LGBTI Standards of Conduct for Business (which we signed onto in 2019) as a guiding framework for advancing LGBTIQ+ equality at IFF. Grounded in the fundamental respect for human rights, the five Standards of Conduct are intended to help accelerate the pace of change at companies by outlining key steps companies can take to ensure equal treatment at work and tackle discrimination in the broader community.

In alignment with these principles, in 2020 we joined with more than 300 companies in the Human Rights Campaign (HRC) Business Coalition for the Equality Act, a group of leading U.S. employers that support the U.S. Equality Act, which would guarantee explicit, permanent protections for LGBTQ people under the country's existing civil rights laws. We were also pleased to again be named as a Best Place to Work for LGBTQ Equality for the second consecutive year, and for the first time, to HRC's Best Place to Work for LGBTQ Equality in Mexico in 2020. However, we know our journey toward continuous improvement remains ongoing.

Every colleague, no matter which country they live and work in, must have the confidence that they can bring their whole selves to work. With this in mind, in 2021 we will be expanding our global reach on LGBTIQ+ equality through a partnership with **Workplace Pride**, a global not for profit foundation dedicated to improving the lives of LGBTIQ+ people in workplaces worldwide. Through their global benchmarking tool, we will assess our LGBTIQ+ policies and practices in each country where we do business, and where we find gaps in our own standards, we will create action plans to address them.

People & Communities

- **Disability inclusion:** The Americans with Disabilities Act defines a person with a “disability” as one who has a physical or mental impairment that substantially limits one or more major life activity. As part of our Global Disability Platform initiative, and as affirmed in our **Global Equality Policy**, we are committed to becoming an employer of choice for people with disabilities. This includes expanding our representation of disabled employees, our technology accessibility and our culture of inclusive leadership.

As of 2020, we have insufficient data regarding the representation of people with disabilities at IFF. To help us navigate this complex journey, we have partnered with several leading organizations and identified solid steps to move us in the right direction for this important population. We are members of **Disability:IN**, a leading nonprofit coalition made up of a network of more than 220 corporations. We are also one of 60 companies participating in Disability:IN’s Inclusion Works program, which shares customized guidance and best practices from a team of disability inclusion experts on creating an inclusive culture and a sustainable recruitment strategy. Their **Disability Equality Index** (DEI) provides a comprehensive benchmarking tool that guides the framework for our strategic action plan. Our CEO also continues to support **The Valuable 500**, a global movement and pledge to put disability on the business leadership agenda.

While we were pleased to be named a 2020 Best Place to Work for Disability Inclusion for the first time in 2020 by the DEI, we will be taking several important steps in 2021 to better understand those colleagues at IFF who are living with disabilities. For example, with the knowledge that not all disabilities may be easy to see, we will be rolling out a Self-ID campaign for employees to confidentially identify that they live with a disability. Strengthening our understanding in this area will help inform our metrics, tracking and strategies moving forward. It will also help us take important next steps in response, such as ensuring that people with visual and physical disabilities have the correct resources they need to successfully interact with our proprietary technology. We will also launch an internal Disability Inclusion Taskforce comprised of senior leaders from across the business to further support inclusiveness of people with disabilities.

OUR SPIRIT

NURTURING AN INCLUSIVE AND FAIR CULTURE

Every one of us is responsible for helping IFF be a better, more inclusive workplace. IFF's employee resource groups, known as colleague communities, advance the development of their members and strengthen IFF's commitment to a diverse, inclusive and engaged workforce. Membership is open to all employees – for those who identify with the groups' areas of focus or for those who are allies. These groups continued to thrive and grow this year, opening new chapters around the world and hosting virtual events. The objectives and executive sponsors for each group are as follows:

- **Women@IFF:** To create an inclusive space where women can advance their skills and leadership potential through connection, mentorship, collaboration and discussion. Our Executive Vice President (EVP), General Counsel, serves as executive sponsor.
- **PRISMA@IFF** (formerly known as Pride@IFF): To lead the way in sustaining a culture that welcomes our LGBTIQ+ colleagues in bringing their authentic selves to work and celebrating Pride around the world, while ensuring IFF remains an inclusive workplace for all colleagues. Our President, Scent, serves as executive sponsor.
- **SERVE@IFF (Supporting Emergency Responders and Veterans Engagement):** To provide a supportive setting for employees who serve or have served their communities in selfless and at times dangerous situations. Our EVP, Chief Integration Officer, serves as executive sponsor.
- **AccessAbilities@IFF:** To provide a community for colleagues who care about disability, learning differences, special needs or neurodiversity, whether for themselves or a child, relative or friend. Our EVP, Chief Research & Development, Global Integrated Solutions and Sustainability Officer, serves as executive sponsor.
- **NextGen@IFF:** To promote the next generation of IFF leaders. Our SVP, Corporate Strategy, serves as executive sponsor.
- **BE@IFF (Black Excellence):** Launched in 2020 to advocate for and support an inclusive and equitable environment for all Black employees at IFF. Our Chairman & CEO serves as executive sponsor.
 - Soul@Black*Brazil was formalized in 2020 as a colleague community in Brazil to increase the representation of Black people through awareness and education.

People & Communities

COLLEAGUE COMMUNITY 2020 HIGHLIGHTS

Despite the challenges of COVID-19, each of our colleague communities remained active throughout 2020 by taking advantage of virtual connection and engagement opportunities. Select highlights include:

- Women@IFF added three new chapters, held virtual events for International Women's Day around the world and hosted virtual Women's Empowerment events in Mexico.
- PRISMA@IFF hosted virtual events in each of our five regions in June, with more than 2,500 global employees participating.
- Serve@IFF deployed a second outpost (or chapter) and completed a communications campaign for Veterans Day in November that raised awareness of the sacrifices our colleagues have made for their countries around the world.
- BE@IFF kicked off a virtual speaker series beginning with a presentation from award-winning journalist and author, **A'Lelia Bundles**, to share her perspectives on Excellence, Equity and Inclusion.

As we continue our integration process with DuPont N&B, we look forward to harmonizing our strengths across the combined company, launching new colleague communities and further engaging all IFF employees.

OUR WORLD

CREATING A BETTER FUTURE FOR ALL

Initiative teams for this pillar include Fit to Market and Supplier Diversity. Our Fit to Market initiative seeks to support a more inclusive way of doing business with our customers and suppliers. In regions where we have a growing presence, this may include sharing guidance, capacity building and best practices on how to differentiate ourselves and secure a competitive advantage by incorporating diversity considerations in our go-to-market approach. With this in mind, we are also mobilizing changes to increase DE&I considerations in our business processes and tools, talent acquisition approach and customer/supplier partnerships.

As outlined in our **Vendor Code of Conduct**, we promote DE&I across our supply chain and expect our vendors to do the same. One key objective of IFF's inclusive supply chain principles is to identify, develop and utilize certified diverse businesses that can enhance our competitive advantage and provide innovative and cost-effective products and services for us and our customers. Diverse businesses – the definition for which vary by country – refer to businesses owned, controlled and operated by diverse persons. For example, in the United States, a “diverse business” is a company that is certified to be at least 51%-owned, -operated and -controlled by one or more minority, woman, LGBTIQ+ person, person with a disability, veteran, service-disabled veteran, or aboriginal or indigenous person.

INCLUSION COMPETENCY MODEL

The four areas of our Inclusion Competency Model (at right) serve as the foundation for how we deliver educational experiences to our colleagues around the world. In 2020, we took several steps to further embed these competencies into the culture of our organization:

- All IFF colleagues are now encouraged to add an Inclusion Competency to their annual Professional Development Plan. As of the end of 2020, 14% of the global employee population had added at least one competency to their goals. Looking ahead, our aim is to have at least 20% of our global employee population select an Inclusion Competency as part of their professional development plan.
- In September 2020, we rolled out an Unconscious Bias online educational experience, entitled “Purposefully Unbiased in the Workplace.” As of the end of 2020, more than 2,000 people had completed the course and another 2,000 were in progress. As a next step, we are developing similar courses for the other three competencies that will launch in 2021.
- In November 2020, as part of our High Performing Culture campaign, the Inclusion Competencies were used to deliver the Inclusion skill set for “Effective Collaboration.”
- IFF's **Code of Conduct** – which was updated as of February 1, 2021 – now includes the four Inclusion Competencies for being an inclusive colleague as codified expectations of all employees.

INCLUSION COMPETENCY MODEL

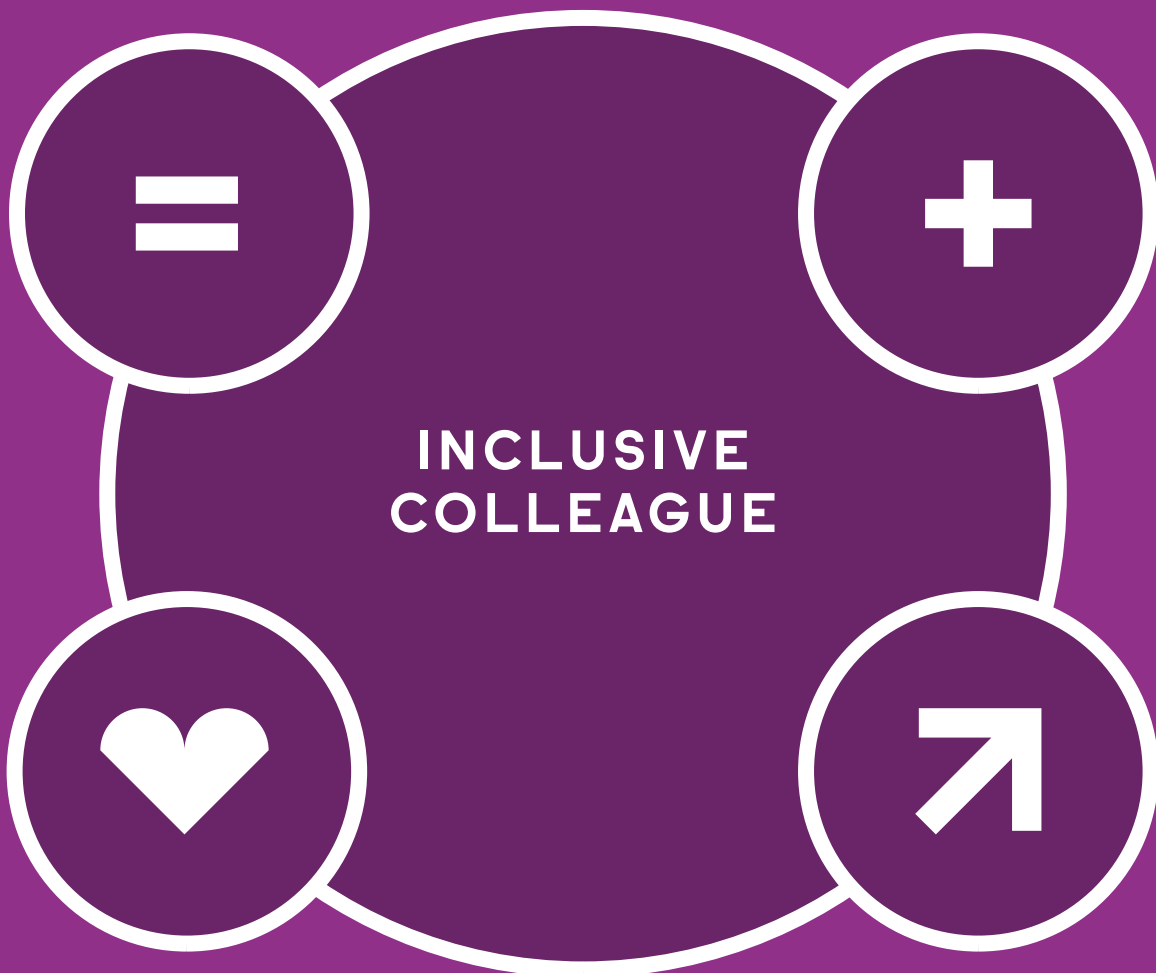
For IFF to fulfill its commitment to creating and maintaining a diverse workplace, employees must foster an inclusive, unbiased culture that unleashes every individual's unique potential. Each colleague must demonstrate this commitment by mastering the following competencies:

PURPOSEFULLY UNBIASED

An Inclusive Colleague develops a conscious knowledge of their personal biases, works to address them and actively fosters an equal and equitable workplace.

ACTIVELY INCLUSIVE

An Inclusive Colleague advocates for and consistently acts to support a culture that values and nurtures each colleague's uniqueness.



COMMITTED TO DIVERSITY

An Inclusive Colleague demonstrates active engagement to support IFF's business objective of inclusive diversity by ensuring all levels of our organization reflect the markets we serve.

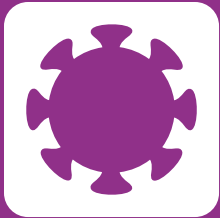
MULTICULTURAL AGILITY

An Inclusive Colleague proactively seeks to understand how others experience the world and adapts their behavior to collaborate effectively in a multiculturally diverse workplace.

Occupational Health & Safety

Our top priority has been and always will be the health and safety of our employees, customers, partners and the communities in which we operate. Ensuring that our working environments are safe – particularly during the unprecedented global pandemic in 2020 – is an important part of everyone’s job at IFF. Our occupational health and safety management system covers all employees and supervised contractors for activities at sites globally. All are expected and encouraged to uphold IFF’s protocols, report any incidents and suggest improvements that will increase the safety of work sites. Our safety management system in each country is based on local regulations. Our guidelines for reporting safety incidents and the criteria we use for corporate tracking are based on U.S. Occupational Safety and Health Administration (OSHA) standards. In the absence of country-specific requirements, IFF guidelines are implemented.

We have a safety reporting system that includes an online software solution for incident tracking. Local teams report safety metrics to the corporate Environmental, Health & Safety (EHS) department monthly. The corporate team reviews all incidents and works with local teams to resolve issues as appropriate, including identifying corrective actions and safety improvement plans. Based on metrics and insights from the safety reporting, the EHS department identifies key training priorities to focus on for continuous improvement.



COVID-19 SAFETY MANAGEMENT APPROACH

In 2020, we focused on protecting our employees, supporting our customers and doing our part to support our communities. As an essential business creating solutions for some of the world’s most important consumer products manufacturers, including vital disinfection and sanitation supplies, we were able to maintain virtually uninterrupted business operations, despite heavily restricted work schedules, to ensure employee safety. In addition to following the requirements of governmental authorities, we have taken additional preventative and protective measures to ensure the safety of our colleagues, including:

- Prohibiting group gatherings, restricting travel and updating internal protocols (e.g., increased sanitization efforts and work-from-home arrangements for non-essential employees)
- Establishing rotating schedules to limit the number of essential creation, application and innovation professionals on-site at one time
- Executing thorough sterilization protocols across all manufacturing and creative center facilities while instituting policies and barriers to limit unnecessary contact
- Providing mandatory personal protective equipment for all on-site, essential employees, including custom, washable face coverings
- Implementing return-to-work plans and region-specific phased reopening in alignment with global guidelines set forth by the WHO, CDC and federal and local health officials

Our COVID-19 Crisis Task Force (see [page 97](#)) was responsible for establishing management guidelines for all sites, including a Crisis Response Toolkit designed to provide site leaders with important guidance on preventing or minimizing workplace exposures to COVID-19. The Toolkit included site leader preparation checklists, workplace sanitation expectations, notification protocols and guidance on tracking and reporting suspected or confirmed cases. A global data tracker was set up for site leaders and HR business partners to track and monitor cases, which were also reviewed by the Crisis Management Team and regional leaders on a weekly basis. There were COVID clusters at two facilities that were investigated and determined not to be definitively work related.

People & Communities

To work toward an accident-free workplace, we uphold a set of policies, protocols and programs in three key areas:

- **Safety governance:** Our EHS department is responsible for setting comprehensive safety policies and procedures to guide our employees and operations. Plant managers are responsible for implementing safety procedures at their locations, and they are held accountable for safety-related key performance indicators and objectives. To ensure all sites meet rigorous standards, the EHS department works closely with the Operations team to conduct periodic internal audits. Approximately 15 sites per year are typically inspected, based on their levels of risk and the last time they were audited. In 2020, we conducted a limited number of on-site audits in the months prior to the pandemic, and then in place of additional physical inspections, we led a series of virtual trainings and safety action plans throughout the year.

Additionally, as part of our ongoing safety integration process, at the beginning of the year we shared guidelines and established key milestones for sites to complete by year-end. Examples of action items to be completed within a specified timeline included safety committee activities, as well as incident investigation and reporting processes. Progress was regularly tracked by the EHS department and reassessed at the end of the year to provide feedback, confirm changes and ensure that policies and procedures were successfully implemented.

- **Safety training:** EHS training for employees is managed at the site level, with each facility customizing safety and environmental programs based on both local requirements and global IFF policies. Mandatory trainings are held for EHS managers and teams at all sites. The topics are based on key safety priorities and reflect EHS best practices, regulatory requirements and IFF policies.

In 2020, we targeted improvements in key areas at multiple sites based on 2019 incident trends. Due to COVID-19 restrictions, mandatory site-level workshops and regional training sessions were held virtually. Led by the corporate EHS in collaboration with Operations, the sessions included Corporate EHS subject matter experts to share knowledge and best practices. Training and communications topics included, for example, global safety policies and incident reporting procedures; special safety topics (e.g., powered industrial vehicles, machine guarding and emergency eyewash and safety shower equipment); safe work permits (e.g., line breaking and confined space); grounding and bonding; combustible dust management; chemical control and hazard communication; and environmental compliance procedures related to wastewater treatment, air emissions and waste management. To supplement the virtual training sessions, the Operations team also supported key themes during the year through regular “safety shares,” and focused safety inspection checklists to ensure sites were evaluating their programs. As part of the safety integration process, select sites reduced their total recordable incidents in some cases by up to half or more from the prior year.

- **Safety culture:** Instilling a strong and proactive safety culture characterized by awareness and communication is vital to improving our performance over time. The EHS department hosts weekly safety conference calls with sites to ensure a continued and open line of communication on safety. Manufacturing safety committees continue to meet monthly, and creative center safety committees meet quarterly. We have a safety team or a safety coordinator at every site to take a lead role in implementing safety efforts, identifying and resolving issues and conducting regular inspections to improve conditions and awareness.

In 2020, new EHS regional roles were created to be specific points of contact at legacy Frutarom sites. In addition to maintaining operational responsibilities at their own sites, these new roles are specially designated to support the success of the continued safety integration process. This year, we also expanded the level of direct collaboration between the sites and the regional Operations team by setting up monthly virtual meetings. Finally, our Safety Observation program at select sites continued in 2020, which empowers employees to identify unsafe acts and report near misses so improvements can be made before future incidents occur. As part of this approach, we expanded programs such as, “Reporting Near Misses,” fire safety, powered industrial vehicles and permit to work reviews, which help build safety behaviors and support the ongoing development of our safety culture.

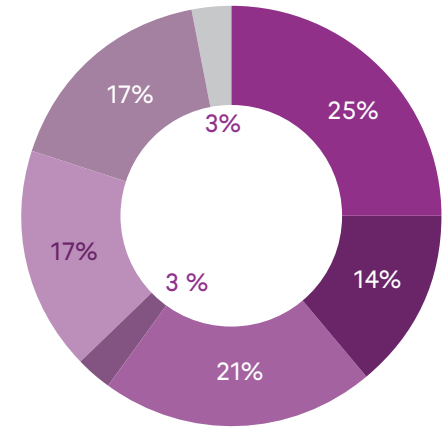
SAFETY PERFORMANCE

Prior to 2019, our safety performance had been steadily improving, a testament to the dedicated focus on our established global and local safety programs. Recently, however, some of our sites experienced increases in accident rates. After careful review, it was determined that these incidents primarily occurred at a few sites due to incomplete procedures and employee awareness. Safety Action plans – focused on specific steps to reinforce safety behaviors and responsibilities at the shop floor level – were established to address the incidents and improve general awareness.

Following the 2018 acquisition of Frutarom and subsequent integration of IFF safety programs in 2019, we continue to work closely with local teams to assess safety metrics and identify synergies, gaps and opportunities to further strengthen the safety performance in all locations. For example, we have worked directly with the teams during EHS meetings at multiple locations around the world and with third-party support by EHS professionals. Although we reported legacy Frutarom safety data in the **2019 Sustainability Report**, we recognized at that time that it may not be comprehensive or harmonized, and may require adjustment in future reports. As expected, our progress with legacy Frutarom integration during 2020 (including reviewing and auditing safety data from the prior year and ensuring alignment on expectations related to safety reporting) did reveal data inconsistencies that we have now identified and corrected. For restatements in 2019 safety data, please see **IFF Performance Data, page 112**.

Looking ahead, as part of our established approach for continuous improvement, we will expand critical safety best practices across all sites globally. As we finalize the Frutarom integration and move forward on the combination with Dupont N&B, the next several years will represent an important transition period during which we will continue to focus on the three critical areas of safety governance, training and culture.

2020 LOST TIME INCIDENTS

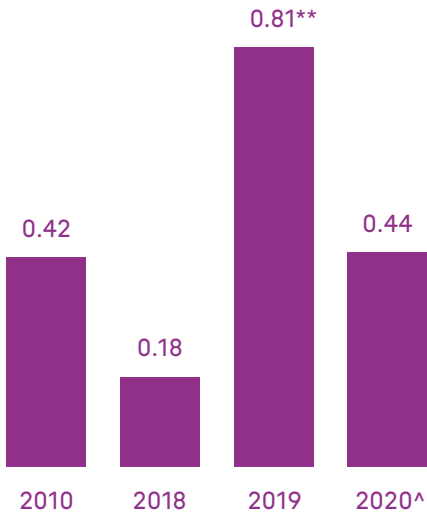


Incident Source

- Trips/Falls
- Chemical Exposure
- Strains/Sprains
- Burns
- Struck by Objects
- Contact with Object (e.g., powered industrial vehicle)
- Other

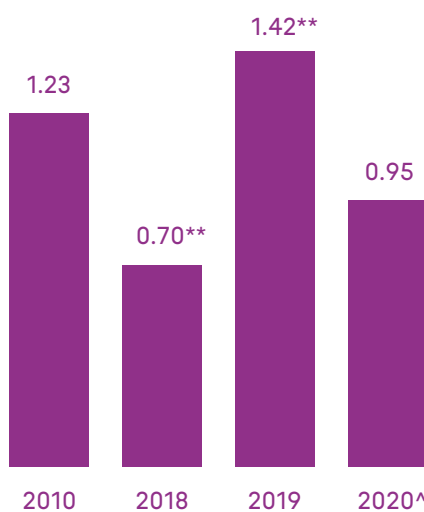
ANNUAL LOST TIME INCIDENTS

Per 100 employees and supervised contractors*



ANNUAL TOTAL RECORDABLE INCIDENTS

Per 100 employees and supervised contractors*



* IFF calculates LTIR and TRIR by estimating hours worked based on average Global HR headcount figures and an assumption of a 40-hour work week, 50 weeks worked per year. Rates are presented per 200,000 hours worked.

** Restated due to updated data assessments

^ COVID-19 cases (as defined by OSHA) were tracked and evaluated for work-relatedness separately according to OSHA guidelines and/or country requirements. All COVID-19 cases were determined to not be work-related.



**ENSURING
HIGH
STANDARDS
OF ETHICS &
INTEGRITY**

GOVERNANCE & COMPLIANCE

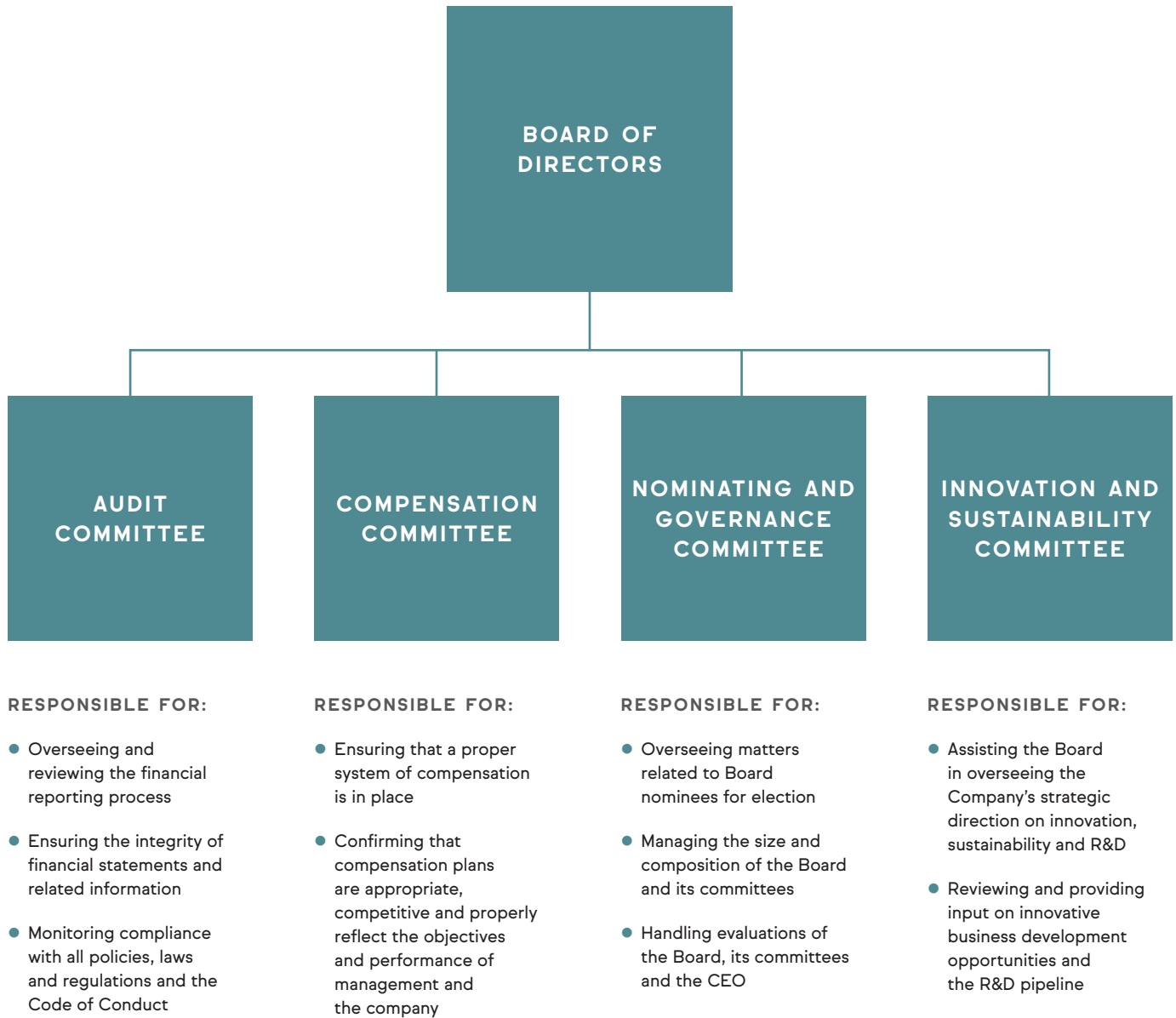
At IFF, we are proud of what our company stands for, the relationships we have established and the trust we have built with our stakeholders. We adhere to the highest standards of ethics, integrity, honesty and respect in our dealings with each other and our business partners. To maintain those relationships and our strong reputation, we have a robust program to ensure compliance with our Code of Conduct, related company policies and all applicable laws and regulations, as outlined in our **governance documents and charters**.

Corporate Governance

Our commitment to good governance starts with our Board of Directors (“Board”) and Executive Committee (EC) and is supported by a strong governance framework. This framework is driven through our organization with continual communication and training on best practices in governance, risk management, business conduct, compliance and ethics.

Our independent Board provides the highest level of oversight for our organization and includes four committees: Audit; Compensation; Nominating and Governance; and Innovation and Sustainability. 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.

Our EC is chaired by our CEO and composed of IFF’s most senior executives. The EC addresses strategic, operational and financial matters and is the highest approval body before the Board.



For more information about our governance structure, please refer to our [2021 Proxy Statement](#), the [Governance page](#) on our website and our [Corporate Governance Guidelines](#).

SUSTAINABILITY GOVERNANCE

Our sustainability governance model provides oversight for the execution of our global sustainability strategy. At the highest level, we have an Innovation & Sustainability Committee that is responsible for assisting the Board of Directors in overseeing the Company's overall strategic direction as related to new innovative business concepts, potential integrated solutions, sustainability and R&D. Our Executive Vice President, Chief Research & Development, Global Integrated Solutions and Sustainability Officer, an EC member who reports directly to our CEO, provides executive oversight of our sustainability program. Our Vice President, Global Sustainability & EHS, is charged with leading and embedding sustainability and safety throughout the organization via the Sustainability Business Council (SBC). The SBC is chaired by our CEO, 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 progress updates to the SBC. This governance model relies on functional integration of our sustainability strategy across IFF, including goal development, implementation and progress toward goals.

Ethics & Transparency

IFF is committed to conducting business with the highest standards of honesty and integrity and in compliance with all applicable laws and regulations. Our **Code of Conduct** ("Code") was refreshed as of February 1, 2021 to set the ethical tone for our organization and serve as a compass outlining the general workplace standards and policies. The Code not only summarizes our policies on important topics such as workplace safety, protecting confidential information, and diversity, equity and inclusion, but also includes scenarios about ethical dilemmas that employees may encounter throughout their careers.

The Code is available in 25 languages on the IFF **Policy Center**. All IFF employees (including temporary employees and contractors), directors and officers across the world are responsible for reviewing, understanding and complying with this Code and IFF's policies and procedures. In addition to the Code, all directors are required to comply with the **Code of Conduct for the Board of Directors** and all officers are required to comply with the **Code of Conduct for Executive Officers**.

Employees receive annual training on the Code of Conduct (via a mix of in-person sessions, online courses and webinars) and other internal communications, such as intranet articles, corporate email alerts and town hall meetings.

Governance & Compliance

In addition to training on the Code, we seek to ensure that employees understand other compliance topics through the same online and live training methods and internal communications channels. Topics include anti-bribery and anti-corruption, workplace harassment, reporting concerns, insider trading, information security, political contributions, international business transactions and use of company assets. Policies on these and other related topics are available on our online **Policy Center** and/or intranet. For example, our **Anti-Bribery Policy** (also refreshed as of February 1, 2021) prohibits the giving of anything of value to a government official or any other person to influence that person's decisions to help the company obtain or retain business or gain an unfair advantage. We periodically update these policies and develop new ones according to emerging topics or risks as necessary.

IFF SPEAKUP HOTLINE

An effective compliance program relies on IFF being alerted to potential violations of the Code and the law, or any other issues that might compromise the health and safety of our employees or the reputation of IFF.

Anyone who has knowledge of potential misconduct, unethical activity or violations of the Code, IFF policies, procedures and/or applicable laws and regulations – or anyone who has knowledge of attempts to conceal such activity – must promptly “SpeakUp” using one of the following channels, as described in our “**SpeakUp: Reporting Concerns & Non-Retaliation Policy**.”

- **In-person** to a manager/supervisor or a member of IFF's Human Resources, Legal or Ethics & Compliance teams
- **Email** to IFF's Global Ethics & Compliance team at compliance@iff.com
- **Online** using the iff.com/speakup web-based reporting tool, which is hosted by a third-party service provider and available to employees and business partners worldwide
- **Phone/hotline** using the telephone numbers listed at iff.com/speakup, which permit calls in more than 25 languages, 24 hours a day, 365 days a year

When making a report online, individuals will have the option to request anonymity if allowed under local law. IFF strictly forbids reprisal, retaliation or subsequent discrimination against any person who in good faith raises a concern or reports possible misconduct.

IFF takes all reports of potential violations or misconduct seriously and is committed to reviewing and investigating all credible allegations. Violations of the Code, IFF policies and all applicable laws and regulations – and attempts to conceal violations – may result in disciplinary action up to and including termination of employment.

In 2020, 129 reports of potential violations of the Code of Conduct were reported and reviewed, of which 27 were substantiated or partially substantiated. The reports related to (amongst other issue types) employee relations issues, the potential misuse of corporate assets and conflicts of interest.

POLITICAL CONTRIBUTIONS

IFF encourages all our employees to be involved in their communities and to be politically and socially active citizens. All political activity on behalf of IFF, including all lobbying activities must receive prior clearance from Ethics & Compliance or Legal.

As outlined in our internal Political Contributions Policy (refreshed as of February 1, 2021), IFF strictly prohibits direct or indirect contributions by the company to any political campaign or political organization, as well as the reimbursement of any such contribution made by an employee. IFF does not permit the use of employees' working time or other company resources or assets for these purposes nor does IFF permit employees to post or distribute materials on IFF property or to solicit other employees while working.

Our Political Contributions Policy does not prohibit IFF from becoming a member of a trade association that may, at times, make political contributions on its own accord, but these contributions must not be made on IFF's behalf. We participate in industry and customer trade associations that coordinate advocacy and communications on public policy issues related to our business. We work through both industry trade associations (e.g., the International Fragrance Association, the International Organization of the Flavor Industry, etc.) and 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.

MANAGING CHALLENGES

IFF has a fragrance ingredients manufacturing site in Jacksonville, Florida, U.S. Historically and prior to October 2020, IFF received complaints about our facility in Jacksonville from very few residents, which were addressed promptly. So in October 2020 when an increase in odor complaints to the City of Jacksonville began, IFF investigated each complaint and started working with the City of Jacksonville and the Florida Department of Environmental Protection to help identify the source of the odors.

We engaged environmental experts to conduct a scientific review and full evaluation of the odor complaints and IFF's facilities. In December 2020, the City of Jacksonville issued a citation to IFF. As part of our response to the City, we shared the results of the environmental expert study that had been conducted, which concluded that IFF is not likely the source of the odor complaints at issue. IFF also recently shared these results with residents during a town hall meeting and community discussion, which was also attended by state and local officials.

Governance & Compliance

As the investigation continues, we remain committed to ensuring our environmental, health and safety practices are best-in-class, in compliance with all laws, and that we are operating with integrity as an employer, community member and good neighbor. As part of our stakeholder engagement process with Jacksonville residents, we have created the following website to provide informational resources and to welcome the submission of feedback and inquiries: <https://iffjaxcommunity.com/>

Risk Management

IFF has a multidisciplinary enterprise risk management (ERM) program designed to identify and assess global risks to our business, including sustainability risks, and to develop steps to continually mitigate and manage those risks. Our approach relies on our management's evaluation of current events and our expectations regarding future developments.

Our CEO and other senior management oversee the day-to-day execution of the risk management process. The Board receives regular reports on our ERM process and oversees and reviews with management the company's enterprise-wide risks and the policies and practices established to manage such risks. As part of our risk management practices, we have 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. Sustainability-related risks – such as water availability, natural disasters and other climate-related risks – are formally incorporated into this process. We evaluate the potential impact of, and our vulnerability to, these risks and have developed mitigation measures accordingly.

Our Board is actively involved in the oversight of IFF's risks. The full Board focuses on operational, financial, regulatory, litigation, cybersecurity, information security, tax, credit and liquidity risk as well as our general risk management strategy and how these risks are being managed.

Please refer to the Risk Management Oversight section of our [2021 Proxy Statement](#) for more information.

CRISIS MANAGEMENT

Like any global company, IFF faces unexpected events that can disrupt our operations. To combat this risk, we have a comprehensive Global Crisis Management Plan, which outlines preparation for and responses to emergency situations that may imperil the safety of our employees, customers, facilities, operations or reputation. We have Crisis Management Teams in place at the global, regional and local levels to ensure that situations are handled quickly and effectively by subject matter experts trained on IFF's plan. Membership on these teams is verified and updated on a regular basis, and all new team members are required to complete training on the Global Crisis Management Plan.

Governance & Compliance

In 2020, in response to COVID-19, we set up a Crisis Task Force made up of our global, regional and local crisis teams. This core global working group, which included representatives from Human Resources, Legal, Operations, Corporate Communications, Information Technology and our business teams, met on a regular basis to ensure full alignment across functional teams and to liaise directly with our Executive Committee, who were involved in all critical decision-making regarding response strategies. Our Corporate Communications team also played an essential role in keeping employees fully informed and connected with each other through consistent outreach and informative updates multiple times a week. We also established a dedicated mailbox to ensure our employees always had a place to direct their queries and concerns. The COVID-19 Task Force continues to evolve our protocols to ensure we are anticipating risks and opportunities, as well as continuing to keep all stakeholders engaged through this extended period of disruption worldwide.

INFORMATION SECURITY

At IFF, defending our organization against today's increasing and persistent cyber threats is of utmost importance. Our Chief Information Officer (CIO) is responsible for delivering on the company's global information technology (IT) strategy and the digital technology transformation program, as well as overseeing infrastructure, data, application delivery and end user services. The Chief Information Security Officer (CISO) is responsible for delivering on the company's global information security strategy, as well as overseeing information security and risk, including incident management. The CIO and CISO provide regular updates on IT and information security initiatives to the Board.

Information security is a shared responsibility, and to best protect our network, computers and data from threats, we rely on our employees to be our first line of defense. Our risk-aligned strategy promotes employee awareness through regular communication, including companywide email reminders on best practices to combat email phishing attempts and an annual compliance video. Relevant policies are available to all employees on our intranet, including a recently refreshed Acceptable Use Policy to ensure the appropriate use of IFF computer systems and applications; a Media Disposal Policy to protect IFF data from unauthorized disclosure; and a Confidential Information and Trade Secrets Policy to provide guidance for handling, protecting and classifying information based on its level of sensitivity.

Information security tools are in place to deter threat actors, block malicious emails and avoid IT system interruptions. In 2020, we transitioned to a new email security platform, featuring rewritten links and daily email quarantine reports delivered to employee inboxes, further supporting the avoidance of unwanted spam, malware, phishing and other email-borne threats.

WORKING REMOTELY IN 2020

To mitigate the spread of COVID-19 and to reduce the risk of disruption to business continuity, all non-essential IFF employees – or those able to perform their roles remotely – were transitioned to work-from-home arrangements beginning in March 2020. IFF's IT division securely facilitated this "new normal" by:

- Enabling remote access to IFF applications and providing local IT support remotely via dispatch services
- Introducing a new business communication platform with enhanced video/meeting capabilities
- Enhancing cybersecurity controls to protect against email and endpoint threats, and to expand employee awareness of increased cybersecurity threats related to COVID-19

Governance & Compliance

IFF is committed to protecting the **privacy** of the personal data of our employees, customers and any other parties with whom we have a business relationship and from whom we collect personal data. As a global company, we comply with the privacy laws in the countries in which we do business, including the European Union's General Data Protection Regulation. We also review pending global privacy laws on an ongoing basis. We have implemented measures designed to protect the personal data of our employees, customers and other third parties with whom we do business from unauthorized access and disclosure. These measures include firewalls, intrusion detection and prevention systems, unique and complex passwords, encryption, endpoint security and email security.

We audit our control procedures, policies and compliance mechanisms to ensure their effectiveness and confirm adherence. Our Internal Audit team assesses select areas of IT every year. We recertify compliance with Sarbanes-Oxley (SOX) annually. We also conduct periodic information security risk assessments to evaluate and assess the level and likelihood of potential incidents.

In the event of an information security incident, including a breach of confidential, proprietary or personal data, we follow our comprehensive incident response and crisis management plans. In 2020, we did not experience any material security incidents or breaches of personal data. We regularly evaluate the effectiveness of our systems and test our contingency plans by conducting vulnerability analyses, including simulated information security incidents.

Product Responsibility

Product Safety and Quality is central to everything we do at IFF. It is the basis of the value we create for our customers, shareholders, suppliers, employees and consumers of the thousands of products we make every day. We actively support the use of safe, responsibly produced tastes and scents that respect the environment and enrich the lives of consumers, as outlined in our **Quality Policy**.

Our Global Product Safety & Quality team manages quality processes to ensure product safety and compliance with all applicable laws, regulations and customer requirements. We maintain a comprehensive database of all raw materials, which documents, among other things, information about regulatory status, countries of sale and end-use applications. The system allows us to efficiently track and manage IFF products with great visibility and transparency.

We also conduct a variety of inspections at our operating facilities, including supplier audits and quality audits. Our Taste manufacturing facilities are certified by the Global Food Safety Initiative (GFSI) and our Scent manufacturing facilities to cosmetics standards. In alignment with the FDA's Food Safety Modernization Act (FSMA), we also have an independent third party conduct FSMA audits. Despite COVID-19 restrictions and related adjustments during the year, approximately 12 audits of manufacturing facilities were completed.

Governance & Compliance

All finished IFF products undergo final quality control testing, which depending on the product, includes sensory, analytical and microbiological analysis. In cooperation with regulators and our industry's leading trade associations, GRA manages a comprehensive set of policies and procedures to help IFF achieve safety compliance in all countries where we operate.

Our regulatory disclosure policy provides our basic framework for responding to product information requests from regulatory agencies while managing confidential business information. In case of potential health concerns for customers, we have a procedure in place to voluntarily recall products. We had no material incidents of noncompliance with respect to the health and safety impacts of products and services in 2020. A material non-compliance incident is one that results in a significant adverse impact to IFF's business, condition (financial or otherwise), assets or results.

We work with a variety of customers on their own initiatives to create and implement additional ingredient disclosure models that provide consumers with valuable information while protecting our proprietary formulations. While our IFF-specific disclosure policy and future outcomes of customer initiatives provide a robust framework for compliance and ingredient disclosure, we understand that information requests will continue to vary by product and customer, and we therefore tailor our disclosures to the requirements of each situation.

CULTURE OF QUALITY

Launched in 2018, our Culture of Quality program seeks to build and strengthen our quality culture to improve tangible business outcomes. By fostering a culture of learning and execution, the program aims to enable and empower our employees to solve problems and focus on the long-term solutions necessary to meet our company's strategy. IFF Quality Ambassadors – a cross-functional group of employees from operations, manufacturing, procurement, customer service and planning roles – bring the Culture of Quality program to life through behavior-based training and other engagement opportunities. The goal of the program is to emphasize an organizational culture that champions product safety and quality at all levels of the organization, rather than as the sole responsibility of the Global Quality Team.

In cooperation with our Quality Ambassadors, we celebrated the 101st anniversary of World Quality Day in November 2020 to recognize the contributions of quality professionals and raise continued awareness about the importance of quality in our work. This year, because of COVID-19, our teams celebrated together in unique, virtual ways utilizing their creativity and local culture to make an impact. Examples of activities ranged from crossword puzzles and virtual contests to online interactive process demonstrations and virtual trade fairs.

PRODUCT & SERVICE LABELING

As expectations around product labeling transparency continue to grow, Global Regulatory Affairs is responsible for ensuring adherence to the entire regulatory landscape. This includes combining governmental authority requirements with industry self-regulatory policies and our own internal IFF protocols. We carefully consider customer restrictions, including engaging customers in advance of any required implementation dates for product and service labeling. In the event of an incident related to marketing or product labeling, we work directly with our customers and regulatory authorities as needed to resolve the issue. All such incidents result in root cause analysis and corrective action where appropriate. This holistic approach results in an effective input into our R&D strategy and processes. We had no material incidents of noncompliance with regulations and/or voluntary codes concerning product and service information and labeling in 2020 that resulted in a warning, fine or penalty.

IFF is committed to working with key industry organizations, governmental authorities and customers to share the appropriate technical information about our products and ensure that ingredients are evaluated on a risk-based scientific basis. For example, we worked collaboratively with our industry peers in support of California Senate Bill 258, the Cleaning Products Right to Know Act of 2017, which requires ingredient disclosure through online access and product labeling. We also played a key role in the implementation of the latest revision to the fragrance industry's self-regulatory process (the International Fragrance Association's 49th Amendment), which was published in January 2020.

Globally, we monitor registration and compliance requirements carefully as they develop. This includes ongoing work on substance registrations, such as the 2018 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) mandatory product registrations in Europe. The same exercise is in process for Korea and Turkey. We also work with supply chain partners and the U.S. Environmental Protection Agency (EPA) on specific elements relevant to our business. For example, we are involved in the defense of OTNE (octahydro-tetramethyl acetophenone or, by its commercial trade name, Iso E Super), which is a synthetic fragrance ingredient commonly used in perfumes and assessed by the EPA. OTNE has been found to be safe for its intended use and is registered on EU REACH and all major chemical inventories.

Finally, we provide key leadership and advisory support to governmental authorities as legislation is being developed and implemented. For example, we are working with the European Commission on the defense of encapsulation systems and the biodegradability of inorganic compounds. We have also continued to work with our industry partners and trade associations to improve the implementation of the Frank R. Lautenberg Chemical Safety for the 21st Century Act in the United States, which amends the 1976 Toxic Substances Control Act to better protect public health.

Human Rights

Human rights are the freedoms and standards of treatment belonging to all persons. IFF respects the fundamental human rights of all, and each member of our organization – including personnel, contractors, consultants and temporary employees or secondees – is expected to adhere to our **IFF Code of Conduct** and **Global Human Rights Policy** (both updated in February 2021).

IFF also respects and supports internationally recognized standards, including the **U.N. Guiding Principles for Business and Human Rights**, **Universal Declaration of Human Rights** and the **International Labor Organization's Declaration on Fundamental Principles and Rights at Work**.

As outlined in our Global Human Rights Policy:

- IFF personnel are required to comply with all applicable labor laws, regulations and guidelines, including those related to hiring, wages, hours worked, overtime and working conditions.
- IFF recognizes and respects employees' rights to freedom of association, to form and join trade unions and to bargain collectively.
- IFF values, honors and respects differences and diversity, and expects all IFF personnel to provide a work environment that offers equal opportunity to its workers; is free from unlawful discrimination or harassment; and in which each worker is treated with dignity and respect.
- Employment with IFF must be voluntary. The use of involuntary labor of any kind, including prison labor, debt bondage, indentured servitude or forced labor is strictly prohibited.
- IFF forbids the exploitation of children, the use of illegal child labor, forced labor and human trafficking, and this prohibition extends to all IFF business partners.

Issues related to human rights are managed by our business units and Human Resources teams, and any potential human rights violations are investigated by the Law department. We release an annual **Slavery and Human Trafficking Statement** that provides information on our global human rights due diligence processes. We conduct human rights due diligence by implementing a review and screening of our global direct spend suppliers, which helps IFF prioritize our auditing and verification efforts. Based on our human rights due diligence screening (see **Risk Assessment & Prioritization, page 47**), we may require participation in EcoVadis and Sedex. These platforms help drive continuous improvement in the areas of labor standards, health and safety, environmental management and ethical business conduct. We focus our efforts with Sedex on a core set of suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. The Sedex Risk Assessment Tool allows us to prioritize our suppliers for completion of the Sedex Self-Assessment Questionnaire and Sedex Members Ethical Trade Audit (SMETA) 4-pillar audits, which include human rights considerations. In addition to our assessment of our suppliers, more than 85% of our major manufacturing facilities¹ have undergone SMETA audits and no major nonconformances (e.g., product recalls) were identified.

Based on the due diligence processes and risk assessment processes described above, we have not identified significant risk in our direct operations for forced or compulsory labor, child labor or violations of the right to freely associate and bargain collectively.

1. A "major manufacturing facility" is defined by a combination of the site's size, revenue, production and employee count.



APPENDIX

APPENDIX

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IFF Performance Data

ENVIRONMENTAL DATA

	UNITS	2018*	2019	2020
SCOPE 1 AND SCOPE 2 GREENHOUSE GAS (GHG) EMISSIONS				
Direct emissions (Scope 1)	Metric Tons CO ₂ e	125,429	151,002	162,286
CO ₂	Metric Tons CO ₂ e	124,408	148,773	160,614
CH ₄	Metric Tons CO ₂ e	100	221	225
N ₂ O	Metric Tons CO ₂ e	195	626	658
Refrigerants	Metric Tons CO ₂ e	NC	1,382	789
Operated direct emissions (Scope 1) by source				
Fuel combustion	%	99%	99%	99.5%
Other	%	1%	1%	0.5%
Operated indirect emissions (market-based Scope 2)	Metric Tons CO ₂ e	84,997	108,591	84,986
CO ₂	Metric Tons CO ₂ e	84,719	108,214	84,741
CH ₄	Metric Tons CO ₂ e	47	79	46
N ₂ O	Metric Tons CO ₂ e	231	299	199
Operated indirect emissions (location-based Scope 2)	Metric Tons CO ₂ e	NC	138,718	113,876
CO ₂	Metric Tons CO ₂ e	NC	138,185	113,459
CH ₄	Metric Tons CO ₂ e	NC	143	102
N ₂ O	Metric Tons CO ₂ e	NC	390	315
SCOPE 3 GHG EMISSIONS				
Indirect emissions (Scope 3)	Metric Tons CO ₂ e	1,019,770	1,704,222	2,145,326
Employee business air travel	Metric Tons CO ₂ e	3,228	11,275**	2,387^
Purchased goods and services	Metric Tons CO ₂ e	800,000	1,407,000	1,843,915
Capital goods	Metric Tons CO ₂ e	30,000	11,200	48,620
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Metric Tons CO ₂ e	43,045	49,362	45,838
Upstream transportation and distribution	Metric Tons CO ₂ e	130,000	200,000	174,788
Waste generated in operations	Metric Tons CO ₂ e	13,497	25,314	29,778
BIOGENIC CO₂ EMISSIONS				
CO ₂ emissions from biomass burned on-site	Metric Tons CO ₂ e	0	38,699	32,020
HYDROCHLOROFLUOROCARBON (HCFC) EMISSIONS				
HCFC emissions from refrigerants used on-site	Metric Tons CO ₂ e	NC	646	348

Appendix

	UNITS	2018*	2019	2020
AIR EMISSIONS (EXCLUDES GHGS)*				
Volatile organic compounds (VOCs)	Metric Tons	4.11	4.79	5.27
NO _x emissions	Metric Tons	40.12	49.91	52.83
SO _x emissions	Metric Tons	0.83	1.87	1.74
Particulate matter emissions	Metric Tons	NC	NC	7.71
CO emissions	Metric Tons	NC	NC	80.23
ENERGY USE				
Nonrenewable fuels (nuclear fuels, coal, oil, natural gas, etc.) purchased and consumed	MWh	596,797	713,037	788,037
Nonrenewable electricity purchased	MWh	128,669	207,329	252,983
Steam/heating/cooling and other energy (nonrenewable) purchased and consumed	MWh	52,784	48,979	26,541
Total renewable energy (wind, solar, biomass, hydroelectric, geothermal, etc.) purchased or generated	MWh	105,897	240,721	283,676
Total nonrenewable energy consumption	MWh	790,820	967,891	1,067,562
Production energy intensity	Gigajoules/Metric Ton	9.51	7.76**	7.93
Electricity	Gigajoules/Metric Ton	1.52	1.33**	1.62
Steam	Gigajoules/Metric Ton	0.57	0.31	0.17
Fuel oil, LPG (Propane), LNG	Gigajoules/Metric Ton	0.20	0.26**	0.24
Natural gas	Gigajoules/Metric Ton	5.01	3.38**	3.77
Process-derived	Gigajoules/Metric Ton	1.21	0.93**	0.96
Renewable electricity (Purchased and on-site)	Gigajoules/Metric Ton	1.00	0.78**	0.42
Biomass	Gigajoules/Metric Ton	-	0.77**	0.75
Direct energy use	Thousand Gigajoules	2,149	2,998	3,225
Natural gas	Thousand Gigajoules	1,677	1,896	2,124
Diesel	Thousand Gigajoules	16	57	53
Nonrenewable energy used in on-site mobile sources (i.e., trucks, forklifts, cars, etc.)	Thousand Gigajoules	NC	34	30
Purchased electricity	Thousand Gigajoules	811	1,162	1,146
Renewable energy certificates***	Thousand MWh	105.90	121	166

Appendix

ENVIRONMENTAL DATA (CONTINUED)

	UNITS	2018*	2019	2020
FRESHWATER USE				
Total freshwater use	Million Cubic Meters	3.39	4.56	4.68
Groundwater	Million Cubic Meters	1.25	1.51	1.26
Municipal	Million Cubic Meters	2.14	3.01	3.22
Surface water	Million Cubic Meters	0.00	0.00	0.10
Process water	Million Cubic Meters	NC	0.04	0.10
Rainwater	Million Cubic Meters	NC	0.00	0.00
Annual water use intensity	Cubic meters per metric ton of production	10.12	8.12**	8.31
WASTEWATER				
Total wastewater discharge	Million Cubic Meters	2.75	3.26	3.48
Municipal	Million Cubic Meters	NC	2.97	3.08
Groundwater	Million Cubic Meters	NC	0.02	0.00
Fresh surface water	Million Cubic Meters	NC	0.22	0.39
Truck/rail	Million Cubic Meters	NC	0.05	0.01
SOLID WASTE				
Nonhazardous waste	Thousand Metric Tons	26.85	41.18	48.74
Recovery/reuse/recycle	%	90	NC	40.9
Landfill	%	6	NC	10.5
Incineration	%	1	NC	26.5
Composted	%	2	NC	13.5
Other	%	1	NC	8.6
Hazardous waste	Thousand Metric Tons	17.99	23.90	24.3
Recovery/reuse/recycle	%	15	NC	13.4
Landfill	%	2	NC	2.1
Incineration	%	50	NC	78.8
Composted	%	0	NC	0
Other	%	33	NC	5.7
Annual hazardous waste intensity	Metric Tons per metric ton of production	0.054	0.042**	0.043
Total waste (hazardous + nonhazardous)	Thousand Metric Tons	44.84	65.08	73.04
Recovery/reuse/recycle	%	60	NC	31.8
Landfill	%	4	NC	7.7
Incineration	%	21	NC	43.9
Composted	%	1	NC	9.0
Other	%	14	NC	7.6
Basel Convention (recovery/reuse/recycle)	Metric Tons	0	0	0

Appendix

	UNITS	2018*	2019	2020
OTHER ENVIRONMENTAL INDICATORS				
ISO 14001-certified operations (medium and large facilities)*	% of Production	93%	65%	81%
ISO 14001-certified operations (medium and large facilities)*	#	24	29	40
Environmental reserve	\$ Million	<5	<5	<5

* 2018 data excludes Frutarom.

** Restated from 2019 disclosure to reflect minor adjustments in data.

*** This includes RECs from on-site generated green electricity, as well as renewable purchasing.

^ 2020 legacy Frutarom employee business travel emissions were calculated based on employee headcount.

Notes:

NC: Not collected

In 2018, the production volume (normalization factor) was 334,705 metric tons for legacy IFF (excluding Frutarom).

In 2019, the production volume (normalization factor) was 561,440 metric tons for IFF (including Frutarom), which is restated from 2019 to reflect minor adjustments in data.

In 2020, the production volume (normalization factor) was 563,133 metric tons for IFF (including Frutarom).

GHG Direct (Scope 1) emissions consist of CO₂, CH₄ and N₂O.

Global warming potentials used: CO₂: 1; CH₄: 25; and N₂O: 298.

The reporting boundary for our dataset is detailed in the [Our Approach to Reporting](#) section.

Nonrenewable energy used in on-site mobile sources is not included in our total energy consumption numbers nor in our 2020 environmental goals.

Appendix

WORKFORCE DATA

EMPLOYMENT CONTRACT	2018*	2019	2020
Permanent employees	7,639	13,690	13,686
Temporary employees (contingent workers)	NC	864	850
Interns	NC	249	249
Permanent employees covered by collective bargaining agreements	14.6%	15.0%	19.9%
PERMANENT EMPLOYEE TYPE			
Full-time	NC	13,172	13,136
Part-time	NC	518	550
PERMANENT EMPLOYEE GENDER			
Male	4,652	8,502	8,433
Female	2,987	5,188	5,253
PERMANENT EMPLOYEE HIRES AND HIRE RATE			
New hires	1,115	2,243	1,721
New hire rate	14.6%	16.4%	12.6%
PERMANENT EMPLOYEE TURNOVER COUNT			
Voluntary	NC	1,229	911
Involuntary	NC	716	707
Retirement and other	NC	NC	121
Total	766	1,945	1,739
PERMANENT EMPLOYEE TURNOVER RATE			
Voluntary	5.8%	9.0%	6.7%
Involuntary	4.2%	5.2%	5.2%
Retirement and other	NC	NC	0.9%
Total	10.0%	14.2%	12.7%

Appendix

GENDER DIVERSITY BY REGION (PERMANENT EMPLOYEES)

	2018*			2019			2020		
	Total	% Male	% Female	Total	% Male	% Female	Total	% Male	% Female
Europe, Africa and Middle East	2,648	59%	41%	6,174**	61%	39%	6,212	60%	40%
Greater Asia	2,071	65%	35%	2,997	64%	36%	2,903	65%	35%
Latin America	1,063	61%	39%	2,198	65%	35%	2,303	65%	35%
North America	1,857	59%	41%	2,321**	60%	40%	2,268	60%	40%
Total	7,639	61%	39%	13,690	62%	38%	13,686	62%	38%

GENDER DIVERSITY BY EMPLOYEE CATEGORY (PERMANENT EMPLOYEES)

	2018*			2019			2020		
	Total	% Male	% Female	Total	% Male	% Female	Total	% Male	% Female
Executive Committee	-	-	-	-	-	-	9	67%	33%
Upper management	-	-	-	-	-	-	57	69%	31%
Middle management	-	-	-	-	-	-	657	62%	38%
Junior management	-	-	-	-	-	-	3,279	49%	51%
Operational	-	-	-	-	-	-	9,684	69%	31%
Total	NC	NC	NC	NC	NC	NC	13,686	62%	38%

AGE DIVERSITY BY REGION (PERMANENT EMPLOYEES)

	2018*			2019			2020		
	AGE <30	AGE 30-50	AGE >50	AGE <30	AGE 30-50	AGE >50	AGE <30	AGE 30-50	AGE >50
Europe, Africa and Middle East	354	1,591	703	946	3,713	1,515**	1,007	3,578	1,627
Greater Asia	364	1,457	250	579	2,012	406	586	1,841	476
Latin America	210	702	151	575	1,359	264	625	1,387	291
North America	231	920	706	306	1,182	833**	316	1,075	877
Total	1,159	4,670	1,810	2,406	8,266	3,018	2,534	7,881	3,271

AGE DIVERSITY BY EMPLOYEE CATEGORY (PERMANENT EMPLOYEES)

	2018*			2019			2020		
	AGE <30	AGE 30-50	AGE >50	AGE <30	AGE 30-50	AGE >50	AGE <30	AGE 30-50	AGE >50
Executive Committee	-	-	-	-	-	-	0	0	9
Upper management	-	-	-	-	-	-	0	23	34
Middle management	-	-	-	-	-	-	1	343	313
Junior management	-	-	-	-	-	-	334	2,280	665
Operational	-	-	-	-	-	-	2,199	5,235	2,250
Total	NC	NC	NC	NC	NC	NC	2,534	7,881	3,271

Appendix

WORKFORCE DATA (CONTINUED)

ETHNIC DIVERSITY BY EMPLOYEE CATEGORY (PERMANENT EMPLOYEES, U.S. ONLY[^])

	Asian ^{^^}		Black or African American		Hispanic or Latinx	
	2019	2020	2019	2020	2019	2020
Executive Committee	2	2	-	-	2**	2
Upper management	2	3	-	-	7	9
Middle management	27	29	1	2	21	21
Junior management	128	127	41	40	53	73
Operational	70	74	97	115	136	175
Total	229	235	139	157	219	280

NEW EMPLOYEE HIRES BY REGION, AGE AND GENDER (PERMANENT EMPLOYEES)

	2018*					
	AGE <30	AGE 30-50	AGE >50	Male	Female	
Europe, Africa and Middle East	164	179	17	212	148	
Greater Asia	125	142	6	168	105	
Latin America	104	103	5	120	92	
North America	96	131	43	157	113	
Total	489	555	71	657	458	

EMPLOYEE TURNOVER BY REGION, AGE AND GENDER (PERMANENT EMPLOYEES)

	2018*					
	AGE <30	AGE 30-50	AGE >50	Male	Female	
Europe, Africa and Middle East	45	120	42	102	105	
Greater Asia	59	132	22	131	82	
Latin America	38	46	6	52	38	
North America	51	109	96	162	94	
Total	193	407	166	447	319	

EMPLOYEE TURNOVER RATE BY REGION, AGE AND GENDER(PERMANENT EMPLOYEES)

	2018*					
	AGE <30	AGE 30-50	AGE >50	Male	Female	
Europe, Africa and Middle East	13%	8%	6%	7%	10%	
Greater Asia	16%	9%	9%	10%	11%	
Latin America	18%	7%	4%	8%	9%	
North America	22%	12%	14%	15%	12%	
Total	17%	9%	9%	10%	11%	

* 2018 data excludes Frutarom. ** Restated to reflect updated employee categorizations. ^ Based on U.S. government reporting EEO data ^^ Includes Native Hawaiian or Pacific Islander

Notes:

NC: Not collected

New hire rate is based on the number of new hires divided by the total global, permanent headcount in that category at year-end 2020.

Turnover rate is based on the total turnover headcount divided by the total headcount in that category at year-end 2020.

Appendix

Native American or Alaska Native		Two or More Races		White		Not specified	
2019	2020	2019	2020	2019	2020	2019	2020
-	-	-	-	5**	5	-	-
-	-	-	-	17	20	-	-
-	-	3	4	153	162	-	-
1		9	13	575	601	1	12
1	1	10	7	458	485	4	16
2	1	22	24	1,208	1,273	5	28

2019					2020				
AGE <30	AGE 30-50	AGE >50	Male	Female	AGE <30	AGE 30-50	AGE >50	Male	Female
355	527	62	542	402	302	342	40	385	299
220	213	13	282	164	179	148	10	218	119
267	212	8	318	169	206	177	8	264	127
119	201	46	233	133	111	145	53	204	105
961	1,153	129	1,375	868	798	812	111	1,071	650

2019					2020				
AGE <30	AGE 30-50	AGE >50	Male	Female	AGE <30	AGE 30-50	AGE >50	Male	Female
163	396	170	448	281	153	356	158	443	224
100	226	44	217	153	130	247	52	274	155
206	230	26	315	147	114	132	32	190	88
56	222	106	246	138	63	187	115	248	117
525	1,074	346	1,226	719	460	922	357	1,155	584

2019					2020				
AGE <30	AGE 30-50	AGE >50	Male	Female	AGE <30	AGE 30-50	AGE >50	Male	Female
17%	11%	11%	12%	12%	15%	10%	10%	12%	9%
17%	11%	11%	11%	14%	22%	13%	11%	15%	15%
36%	17%	10%	22%	19%	18%	10%	11%	13%	11%
18%	19%	13%	18%	15%	20%	17%	13%	18%	13%
22%	13%	11%	14%	14%	18%	12%	11%	14%	11%

Turnover information is inclusive of departures related to synergies in IFF's recent acquisitions. Historical averages of IFF's turnover with no impact of acquisition synergies are materially lower.

IFF does not utilize a significant number of part-time, self-employed or seasonal workers in our workforce.

Appendix

GOVERNANCE & SAFETY DATA

	UNITS	2018*	2019	2020
GOVERNANCE				
Total members of the Board of Directors	#	11	12	11
Independent Board members	#	10	11	10
Female members of the Board	%	27	33.3	27
Minority members of the Board	%	9	16.7	18
Board members in the 50-and-above age group	%	100	100	100
Political contributions	\$	0	0	0
OCCUPATIONAL HEALTH & SAFETY[^]				
Workforce fatalities	#	0	0	0 ^{***}
Workforce total recordable incident rate	Per 100 employees ^{^^}	0.70 ^{**}	1.42 ^{**}	0.95 ^{***}
Workforce lost time incident rate	Per 100 employees ^{^^}	0.18	0.81 ^{**}	0.44 ^{***}

* 2018 data excludes Frutarom.

[^] Permanent employees + supervised contractors

^{**} Restated due to updated data assessments

^{***} COVID-19 cases (as defined by OSHA) were tracked and evaluated for work-relatedness separately according to OSHA guidelines and/or country requirements. All COVID-19 cases were determined to not be work-related.

^{^^} IFF calculates LTIR and TRIR by estimating hours worked based on average Global HR headcount figures and an assumption of a 40 hour work week, 50 weeks worked per year. Rates are presented per 200,000 hours worked.

Note:

The reporting boundary for our dataset is detailed in the [Our Approach to Reporting](#) section.

Appendix

IFF FACILITY CERTIFICATIONS

IFF FACILITIES* BY COUNTRY & BUSINESS SEGMENT								
TASTE	SMETA 4 PILLAR	ISO 14001	ISO 9001	GFSI	RSPO	ISO 45001	ISO 22716	OTHERS
Argentina	Yes	Yes		Yes				
Australia	Yes	Yes		Yes				
Brazil	Yes	Yes	Yes	Yes		Yes		
Canada				Yes				Organic
China	Yes (3 of 5)	Yes (3 of 5)	Yes	Yes				
France	Yes	Yes		Yes				
Germany				Yes				
India	Yes	Yes (1 of 2)	Yes (1 of 2)	Yes			Yes (1 of 2)	
Indonesia	Yes	Yes		Yes		Yes (1 of 2)		
Italy		Yes		Yes				
Mexico	Yes	Yes (1 of 2)	Yes	Yes	Yes (1 of 2)		Yes (1 of 2)	
Netherlands	Yes	Yes	Yes	Yes				FairTrade
Peru	Yes			Yes				Organic
Poland				Yes				
Russia				Yes (1 of 2)				
Singapore	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Slovenia	Yes	Yes	Yes	Yes				
South Africa	Yes	Yes		Yes				
Switzerland	Yes (1 of 2)			Yes	Yes (1 of 2)			Organic (2 of 2); FairTrade (1 of 2)
Turkey	Yes	Yes		Yes				
United Kingdom	Yes (3 of 4)	Yes (2 of 4)		Yes (3 of 4)	Yes (1 of 4)			
United States	Yes (2 of 3)	Yes (2 of 3)		Yes	Yes (1 of 3)			Organic (2 of 3)

Appendix

IFF FACILITY CERTIFICATIONS (CONTINUED)

IFF FACILITIES* BY COUNTRY & BUSINESS SEGMENT								
SCENT	SMETA 4 PILLAR	ISO 14001	ISO 9001	GFSI	RSPO	ISO 45001	ISO 22716	OTHERS
Argentina	Yes	Yes	Yes		Yes		Yes	
Brazil	Yes	Yes	Yes		Yes		Yes	
China	Yes	Yes	Yes		Yes (1 of 2)		Yes (1 of 2)	
France	Yes (1 of 2)	Yes (1 of 2)	Yes	Yes (1 of 2)				Organic (1 of 2)
India	Yes	Yes	Yes				Yes	
Israel		Yes	Yes	Yes				
Mexico	Yes	Yes	Yes		Yes		Yes	
Netherlands	Yes	Yes	Yes		Yes		Yes	
Singapore	Yes	Yes	Yes		Yes	Yes	Yes	
Spain	Yes	Yes	Yes			Yes		
United Kingdom	Yes	Yes	Yes					
United States	Yes	Yes	Yes		Yes (1 of 2)		Yes (1 of 2)	
OTHER**								
Belgium	Yes			Yes	Yes			Organic
Germany	Yes (3 of 4)	Yes (1 of 4)		Yes	Yes (2 of 4)	Yes (1 of 4)		Organic (3 of 4)
Israel	Yes	Yes	Yes	Yes				
New Zealand	Yes		Yes	Yes				Organic
Slovenia	Yes		Yes	Yes				Organic
Spain	Yes	Yes	Yes	Yes (1 of 2)				Organic (1 of 2)

* Not a comprehensive list of all countries or facilities where IFF does business. List includes a subset of medium and large facilities, as defined by a combination of the site's production, revenue and personnel count by country.

** Other reporting units under the Taste and Scent Segments including Savory, Natural Product Solutions and Inclusions.

GRI Content Index

Our 2020 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: “Core” option. We apply the 2016 version of the GRI Standards, except for GRI 303 and GRI 403, which apply the 2018 version of the GRI Standards; and GRI 306, which applies the 2020 version of the GRI Standards. The “2016,” “2018” and “2020” labels in the GRI Content Index refer to the respective GRI Standards issue dates, not the date of information presented in the report.

GRI 102: GENERAL DISCLOSURES 2016		
DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	International Flavors & Fragrances Inc.
102-2	Activities, brands, products and services	What We Do, page 18 2020 Form 10K (Business, pages 3-4) IFF website Markets webpage Products webpage
102-3	Location of headquarters	IFF is headquartered at 521 West 57th Street, New York, New York, 10019, U.S.A.
102-4	Location of operations	2020 Form 10K (Properties, page 31) Locations webpage
102-5	Ownership and legal form	Our common stock is principally traded on the New York Stock Exchange under the ticker symbol “IFF.”
102-6	Markets served	2020 Form 10K (Business, page 3) Markets webpage Products webpage
102-7	Scale of the organization	What We Do, page 18 2020 Form 10K (Business, page 3; Our People, page 9)
102-8	Information on employees and other workers	IFF Performance Data, page 104 2020 Form 10K (Our People, page 9)
102-9	Supply chain	Responsible Sourcing, page 45 Global Procurement webpage 2020 Form 10K (Supply Chain, pages 6-7)
102-10	Significant changes to the organization and its supply chain	What We Do, page 18 Our Approach to Reporting, page 29 2020 Form 10K (Business, page 3)
102-11	Precautionary principle or approach	Risk Management, page 96 Sustainable Innovation, page 59 CDP Climate Change response CDP Water Security response CDP Forests response
102-12	External initiatives	External Initiatives, Memberships & Associations, page 20
102-13	Membership of associations	External Initiatives, Memberships & Associations, page 20

Appendix

DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
STRATEGY		
102-14	Statement from senior decision-maker	A Message From Our Chairman, page 5 2020 Annual Report (Year in Review, pages 1-4)
102-15	Key impacts, risks and opportunities	Strategy webpage Sustainable Innovation webpage 2020 Form 10K (Risk Factors, pages 13-30) CDP Climate Change response CDP Water Security response CDP Forests response
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	About IFF, page 17 Our Purpose webpage Code of Conduct Anti-Bribery Policy Vendor Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	IFF SpeakUp Hotline, page 94 SpeakUp: Raising Concerns & Non-Retaliation Policy Code of Conduct (Speak Up, page 10)
GOVERNANCE		
102-18	Governance structure	Corporate Governance, page 92 Governance webpage 2020 Form 10K (Directors, Executive Officers and Corporate Governance, page 54)
102-19	Delegating authority	Corporate Governance, page 91
102-20	Executive-level responsibility for economic, environmental and social topics	Corporate Governance, pages 92-93 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)
102-22	Composition of the highest governance body and its committees	Corporate Governance, page 92 Board of Directors webpage Governance webpage
102-23	Chair of the highest governance body	2021 Proxy Statement (Our Current Board, page 1)
102-24	Nominating and selecting the highest governance body	Corporate Governance Guidelines (pages 1-2) Charter of the Nominating and Governance Committee 2021 Proxy Statement (Nominating and Governance Committee, page 25)
102-25	Conflicts of interest	Ethics & Transparency, pages 93-94 Code of Conduct for Directors Related Person Transactions Policy 2021 Proxy Statement (Related Person Transactions and Other Information, pages 29-30)
102-26	Role of the highest governance body in setting purpose, values and strategy	Corporate Governance, page 91 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)
102-27	Collective knowledge of the highest governance body	Board of Directors 2021 Proxy Statement (Director Nominee Experience and Qualifications, pages 1-2)
102-28	Evaluating the highest governance body's performance	Corporate Governance Guidelines (page 8) 2021 Proxy Statement (Corporate Governance Guidelines, page 18)

Appendix

DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER
102-30	Effectiveness of risk management processes	Charter of the Audit Committee 2021 Proxy Statement (Board and Committee Assessment Process, pages 22-23; Risk Management Oversight, pages 27-28)
102-35	Remuneration policies	Charter of the Compensation Committee 2021 Proxy Statement (Compensation Discussion and Analysis, pages 41-63)
102-36	Process for determining remuneration	2021 Proxy Statement (Compensation Discussion and Analysis, pages 41-63)
102-38	Annual compensation ratio	2021 Proxy Statement (Pay Ratio, pages 66-67)
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder Engagement, page 28
102-41	Collective bargaining agreements	IFF fully respects the rights of our employees to freely associate and bargain collectively in a legal, ethical and safe way. IFF Performance Data, page 108
102-42	Identifying and selecting stakeholders	Materiality, page 26 Stakeholder Engagement, page 28
102-43	Approach to stakeholder engagement	Materiality, page 26 Stakeholder Engagement, page 28
102-44	Key topics and concerns raised	Materiality, pages 26-27 Stakeholder Engagement, page 28
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	2020 Form 10K (Principles of Consolidation, page 62)
102-46	Defining report content and topic Boundaries	Materiality, pages 26-27
102-47	List of material topics	Materiality, page 27
102-48	Restatements of information	Our Approach to Reporting, page 29 Occupational Health & Safety, page 88 IFF Performance Data, pages 104-112
102-49	Changes in reporting	Our Approach to Reporting, page 29
102-50	Reporting period	January 1, 2020 through December 31, 2020
102-51	Date of most recent report	The most recent previous report was IFF's Sustainability Report 2019: Do More Good
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@iff.com
102-54	Claims of reporting in accordance with the GRI Standards	We have reported in accordance with the GRI Standards: "Core" option.
102-55	GRI content index	GRI Content Index, page 115
102-56	External assurance	External Assurance Statement, page 133

MANAGEMENT APPROACH AND TOPIC SPECIFIC DISCLOSURES: 2016, 2018 AND 2020			
DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
ECONOMIC			
201: ECONOMIC PERFORMANCE 2016			
103-1 to 103-3	Management approach	Strategy webpage 2020 Form 10K (Business, pages 1-3) Global Tax Policy Capital Allocation Policy	
201-1	Direct economic value generated and distributed	2020 Form 10K (Business, pages 1-3; Revenue Recognition, page 83) 2021 Proxy Statement (Executive Compensation, pages 65-67)	Communities Customers
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Footprint, page 33 CDP Climate Change response 2020 Form 10K (Risk Factors, pages 21-22)	Investors Regulators Suppliers
201-3	Defined benefit plan obligations and other retirement plans	Benefits & Wellbeing, page 76 2020 Form 10K (Employee Benefits, page 92) 2021 Proxy Statement (Pension Benefits, pages 76-77)	
203: INDIRECT ECONOMIC IMPACTS 2016			
103-1 to 103-3	Management approach	Responsible Sourcing, page 45 Sustainable Innovation, page 59 Sustainable Innovation webpage	Communities Customers Investors
203-1	Infrastructure investments and services supported	Responsible Sourcing, page 45 Responsibilities webpage	Regulators Suppliers
205: ANTI-CORRUPTION 2016			
103-1 to 103-3	Management approach	Ethics & Transparency, page 93 Code of Conduct (pages 32-33) Anti-Bribery Policy 2020 Form 10K (Risk Factors, pages 27-28)	Customers
205-2	Communication and training about anti-corruption policies and procedures	Ethics & Transparency, page 93 Due to confidentiality constraints, the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region, is not included in this report. Due to confidentiality constraints, the total number and percentage of governance body members that have received training on anti-corruption, broken down by region, is not included in this report.	Investors Regulators Suppliers

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
ENVIRONMENTAL			
302: ENERGY 2016			
103-1 to 103-3	Management approach	Energy Management, page 38 Energy Management webpage CDP Climate Change response 2020 Form 10K (Sustainability, pages 7-8; Risk Factors, page 21-22) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19) RE100 Members webpage	Communities Customers Investors Regulators Suppliers
302-1	Energy consumption within the organization	Energy Management, page 38 IFF Performance Data, page 104 CDP Climate Change response	
302-3	Energy intensity	Energy Management, page 38 IFF Performance Data, page 104	
302-4	Reduction of energy consumption	IFF Performance Data, page 104 Energy Management, page 38	
303: WATER AND EFFLUENTS 2018			
103-1 to 103-3	Management approach	Water Management, page 39 Water Management webpage CDP Water Security response 2020 Form 10K (Sustainability, pages 7-8; Risk Factors, page 21-22) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)	Communities Customers Investors Regulators Suppliers
303-1	Interactions with water as a shared resource	Water Management, page 39 CDP Water Security response	
303-2	Management of water-related discharge impacts	Water Management, page 39 CDP Water Security response	
303-3	Water withdrawal	Water Management, page 39 CDP Water Security response	
303-4	Water discharge	Water Management, page 39 IFF Performance Data, page 106 CDP Water Security response	
303-5	Water consumption	Water Management, page 39 IFF Performance Data, page 106 CDP Water Security response	

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
ENVIRONMENTAL			
304: BIODIVERSITY 2016			
103-1 to 103-3	Management approach	Policies & Commitments, page 46 Strengthening Local Communities, page 55 Roundtable on Sustainable Palm Oil, page 54 Policy on Sustainable Palm Oil CDP Forests response	Communities Customers Investors Regulators Suppliers
304-3	Habitats protected or restored	Roundtable on Sustainable Palm Oil, page 54 Strengthening Local Communities, page 55 CDP Forests response	
305: EMISSIONS 2016			
103-1 to 103-3	Management approach	Climate Change & Emissions, page 37 Climate Change & Emissions webpage CDP Climate Change response 2020 Form 10K (Sustainability, pages 7-8; Risk Factors, pages 21-22) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19) RE100 Members webpage	Communities Customers Investors Regulators Suppliers
305-1	Direct (Scope 1) GHG emissions	Climate Change & Emissions, page 37 IFF Performance Data, page 104 CDP Climate Change response	
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change & Emissions, page 37 IFF Performance Data, page 104 CDP Climate Change response	
305-3	Other indirect (Scope 3) GHG emissions	Climate Change & Emissions, page 37 IFF Performance Data, page 104 CDP Climate Change response	
305-4	GHG emissions intensity	Climate Change & Emissions, page 37	
305-5	Reduction of GHG emissions	Climate Change & Emissions, page 37	
306: WASTE 2020			
103-1 to 103-3	Management approach	Waste Management, page 40 Waste Management webpage 2020 Form 10K (Sustainability, pages 7-8; Risk Factors, page 21-22) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)	Communities Customers Investors Regulators Suppliers

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
306-2	Management of significant waste-related impacts	Waste Management, page 40 Circular Design, page 63 Waste Management webpage Upcycling webpage 2020 Form 10K (Sustainability, pages 7-8) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)	Communities Customers Investors Regulators Suppliers
306-3	Waste generated	Waste Management, page 40 IFF Performance Data, page 106	
306-4	Waste diverted from disposal	Waste Management, page 40 IFF Performance Data, page 106	
306-5	Waste directed to disposal	Waste Management, page 40 IFF Performance Data, page 106	
307: ENVIRONMENTAL COMPLIANCE 2016			
103-1 to 103-3	Management approach	Environmental Footprint, page 33 Global Environmental, Health and Safety Policy 2020 Form 10K (Risk Factors, pages 24-25)	Communities Customers Investors Regulators Suppliers
307-1	Noncompliance with environmental laws and regulations	We had no material incidents of noncompliance with respect to environmental laws and regulations in 2020.	
308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
103-1 to 103-3	Management approach	Responsible Sourcing, page 45 Responsible Sourcing webpage Vendor Code of Conduct Policy on Sustainable Palm Oil 2020 Form 10K (Sustainability, pages 7-8;) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)	Communities Investors Regulators Suppliers
308-1	New suppliers that were screened using environmental criteria	Risk Assessment Methodology, pages 47-48	
SOCIAL			
401: EMPLOYMENT 2016			
103-1 to 103-3	Management approach	People & Communities, page 71 Careers webpage Innovation webpage Our Purpose webpage	Communities Customers Suppliers
401-1	New employee hires and employee turnover	IFF Performance Data, pages 108-111	

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
402: LABOR/MANAGEMENT RELATIONS 2016			
103-1 to 103-3	Management approach	Global Human Rights Policy 2020 Form 10K (Risk Factors, page 19)	
402-1	Minimum notice periods regarding operational changes	We comply with notice periods (as defined by collective bargaining agreements in place or by local laws or regulations) prior to the implementation of any changes that could potentially involve our employees. In each case, we follow the appropriate channels of communication to ensure our employees and their elected representatives or union/works councils are informed and consulted where required. Minimum notice periods regarding operational changes range from no notice to seven months.	Communities Customers Investors Regulators Suppliers
403: OCCUPATIONAL HEALTH AND SAFETY 2018			
103-1 to 103-3	Management approach	Occupational Health & Safety, page 86 Health & Safety webpage Global Environmental, Health and Safety Policy	
403-1	Occupational health and safety management system	Occupational Health & Safety, page 86	
403-2	Hazard identification, risk assessment and incident investigation	Occupational Health & Safety, page 86	
403-4	Worker participation, consultation and communication on occupational health and safety	Occupational Health & Safety, page 86	
403-5	Worker training on occupational health and safety	Occupational Health & Safety, page 86	Communities Customers Investors Regulators Suppliers
403-6	Promotion of worker health	Benefits & Wellbeing, page 76 Occupational Health & Safety, page 86	
403-8	Workers covered by an occupational health and safety management system	Occupational Health & Safety, page 86	
403-9	Work-related injuries	Occupational Health & Safety, page 86 IFF performance Data, page 112 IFF considers lost time incidents as high consequence injuries. Individual data for contractors is not available but is combined with our workforce data.	

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
404: TRAINING AND EDUCATION 2016			
103-1 to 103-3	Management approach	Learning & Development, page 74 Innovation webpage Our Purpose webpage Corporate Governance Guidelines, page 10	Communities Investors Suppliers
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Management & Reviews, page 73	
405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103-1 to 103-3	Management approach	Diversity, Equity & Inclusion, page 77 Diversity, Equity & Inclusion webpage Global Equality Policy 2018 Gender Equity Report 2020 Form 10K (Sustainability, pages 7-8) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19; Diversity and Tenure, page 3)	Communities Customers Investors Regulators Suppliers
405-1	Diversity of governance bodies and employees	IFF Performance Data, pages 109-111 2021 Proxy Statement (Diversity and Tenure, page 3)	
407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
103-1 to 103-3	Management approach	IFF fully respects the rights of our employees to freely associate and bargain collectively in a legal, ethical and safe way. Human Rights, page 101 IFF Performance Data, page 104 Global Human Rights Policy	Communities Customers Investors Regulators Suppliers
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, page 101 Slavery and Human Trafficking Statement Global Human Rights Policy Vendor Code of Conduct	
408: CHILD LABOR 2016			
103-1 to 103-3	Management approach	Human Rights, page 101 Global Human Rights Policy	Communities Customers Investors Regulators Suppliers
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights, page 101 Slavery and Human Trafficking Statement Global Human Rights Policy Vendor Code of Conduct	

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DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
409: FORCED OR COMPULSORY LABOR 2016			
103-1 to 103-3	Management approach	Human Rights, page 101 Global Human Rights Policy	Communities Customers
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, page 101 Slavery and Human Trafficking Statement Global Human Rights Policy Vendor Code of Conduct	Investors Regulators Suppliers
412: HUMAN RIGHTS ASSESSMENT 2016			
103-1 to 103-3	Management approach	Human Rights, page 101 Slavery and Human Trafficking Statement Global Human Rights Policy Vendor Code of Conduct	Communities Customers Investors
412-1	Operations that have been subject to human rights reviews or impact assessments	EcoVadis & Sedex, page 49 Human Rights, page 101	Regulators Suppliers
413: LOCAL COMMUNITIES 2016			
103-1 to 103-3	Management approach	Strengthening Local Communities, page 55 Water Stewardship, page 39 Managing Challenges, page 95 2020 Form 10K (Sustainability, pages 7-8)	
413-1	Operations with local community engagement, impact assessments and development programs	Strengthening Local Communities, page 55 Water Stewardship, page 39 Managing Challenges, page 95 Hope 2020, page 13 We discuss local community engagement in the context of our supply chain and water management strategy, where it is most relevant. As part of our responsible sourcing program, we have several initiatives to support communities where our ingredients are grown. As part of our EcoEffective+ water stewardship goals, we focus on driving collective action for water stewardship in the communities where we source and operate.	Communities Customers Suppliers
414: SUPPLIER SOCIAL ASSESSMENT			
103-1 to 103-3	Management approach	Responsible Sourcing, page 45 Risk Assessment Methodology, pages 47-48 Vendor Code of Conduct Policy on Sustainable Palm Oil	Communities Customers Investors
414-1	New suppliers that were screened using social criteria	Responsible Sourcing, page 45 Risk Assessment Methodology, pages 47-48 Human Rights, page 101 Vendor Code of Conduct	Regulators Suppliers

Appendix

DISCLOSURE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	RELEVANT EXTERNAL ENTITIES
415: PUBLIC POLICY 2016			
103-1 to 103-3	Management approach	Political Contributions, page 95 Code of Conduct (page 24)	Communities Customers Investors Regulators Suppliers
415-1	Political contributions	Political Contributions, page 95 IFF Performance Data, page 112	Communities Customers Investors Regulators Suppliers
416: CUSTOMER HEALTH AND SAFETY 2016			
103-1 to 103-3	Management approach	Product Responsibility, page 98 Global Environmental, Health and Safety Policy Quality Policy 2020 Form 10K (Sustainability, pages 7-8) 2021 Proxy Statement (Environmental, Social and Governance Initiatives, page 19)	Communities Customers Investors Regulators Suppliers
416-2	Assessment of the health and safety impacts of product and service categories	Product Responsibility, page 98	Communities Customers Investors Regulators Suppliers
417: MARKETING AND LABELING 2016			
103-1 to 103-3	Management approach	Product & Service Labeling, page 100 GMO Policy Animal Testing Policy 2020 Form 10K (Risk Factors, page 24)	Communities Customers Investors Regulators Suppliers
417-2	Incidents of noncompliance concerning product and service information and labeling	Product & Service Labeling, page 100	Communities Customers Investors Regulators Suppliers
418: CUSTOMER PRIVACY 2016			
103-1 to 103-3	Management approach	Information Security, page 97 Privacy webpage 2021 Proxy Statement (Corporate Governance, page 18)	Communities Customers Investors Regulators Suppliers
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security, page 97 We had no material, substantiated complaints concerning breaches of customer privacy and losses of customer data in 2020.	Communities Customers Investors Regulators Suppliers

SASB Disclosures

This report marks the second year IFF has disclosed under the Sustainability Accounting Standards Board (SASB) standards. We have included the topics and metrics below related to the Resource Transformation sector and the Chemicals industry. We do not claim to fulfill the disclosures for all indicators this year, but we are continuing to evaluate them for the future.

TOPIC	ACCOUNTING METRIC	CODE	CROSS-REFERENCE OR ANSWER
Greenhouse Gas Emissions	Gross global Scope 1 emissions and the percentage covered under emissions-limiting regulations	RT-CH-110a.1	Climate Change & Emissions, page 37 IFF Performance Data, page 104 IFF operates in jurisdictions where cap-and-trade and other forms of emission-related regulatory frameworks are currently in place, including California and the European Union. In 2020, none of IFF's Scope 1 emissions were covered under these regulations.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Climate Change & Emissions, page 37 CDP Climate Change response
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds, and (4) hazardous air pollutants	RT-CH-120a.1	IFF Performance Data, page 104 Hazardous air pollutants are not material to our operations.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	Energy Management, page 38 IFF Performance Data, page 105 CDP Climate Change response
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	Water Management, pages 39-40 IFF Performance Data, page 106 CDP Water Security response
	Number of incidents of noncompliance associated with water quality permits, standards and regulations	RT-CH-140a.2	We had no significant incidents of noncompliance concerning water quality permits, standards or regulations in 2020.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Water Management, page 39 CDP Water Security response
Hazardous Waste Management	Amount of hazardous waste generated, and percentage recycled	RT-CH-150a.1	Hazardous Waste, page 41 IFF Performance Data, page 106
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Hope 2020, page 13 Risk Assessment Methodology, page 47 Strengthening Local Communities, page 55 Managing Challenges, page 95 Coronavirus Response webpage
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	Occupational Health & Safety, page 86 IFF Performance Data, page 112
	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Occupational Health & Safety, page 86 Global Environmental, Health and Safety Policy

Appendix

TOPIC	ACCOUNTING METRIC	CODE	CROSS-REFERENCE OR ANSWER
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	<p>Sustainable Innovation, page 59</p> <p>We have embedded our commitment to circular design across our business. As an example from our Scent business, in the last 12 months, 94.7% of all Scent revenue came from products that included “ultrascent” ingredients, which are designed to deliver the equivalent fragrance strength with less actual material. (Net sales for the Scent business in 2020 (in thousands): \$1,974,458.)</p> <p>Innovation webpage</p>
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, and (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	85% of IFF products have been classified as GHS Category 1 and 2 Health and Environmental Hazardous Substances. All products have been evaluated for hazard and assigned hazard classifications as required by law.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	<p>Product Responsibility, page 98</p> <p>Research & Development webpage</p> <p>Sustainable Innovation webpage</p>
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	<p>GMO Policy</p> <p>In Europe, we do not source genetically modified raw materials. In North America and other regions, we source raw materials that may contain GMOs, such as corn or soy. However, given the distinction between “presence” versus “detectable protein,” some GM raw materials may not result in the final product being considered GM by regulatory standards due to low levels of detectable GM protein. Because of this complexity, this is a metric that we are continuing to assess.</p>
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	<p>Political Contributions, page 95</p> <p>We seek to ensure that there are no significant differences between our industry lobbying efforts and stated policies and IFF’s goals or public positions.</p> <p>Further information on governmental regulations can be found in IFF’s 2020 Form 10K (pages 8 and 23-24).</p>
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count, Process Safety Total Incident Rate and Process Safety Incident Severity Rate	RT-CH-540a.1	<p>Occupational Health & Safety, page 86</p> <p>IFF Performance Data, page 112</p>
	Number of transport incidents	RT-CH-540a.2	Apart from the incidents reported in the performance data for occupational health and safety, we had no significant operational safety, emergency preparedness and response incidents in 2020.
ACTIVITY METRIC		CODE	CROSS-REFERENCE OR ANSWER
Production by reportable segment		RT-CH-000.A	<p>What We Do, page 18</p> <p>Additional information on our reportable segments can be found in our 2020 Annual Report.</p>

TCFD Report

IFF's first Task Force on Climate-related Financial Disclosure (TCFD) Report is aligned with the four sections of the TCFD framework: (1) governance, (2) strategy, (3) risk management and (4) metrics and targets.

For additional information on TCFD, please visit <https://www.fsb-tcfid.org>.

DISCLOSURE	CROSS-REFERENCE OR ANSWER
GOVERNANCE	
Disclose the organization's governance around climate-related risks and opportunities.	
Board's oversight of climate-related risks and opportunities	<p><u>Corporate Governance, pages 91-93</u></p> <p><u>CDP Climate Change response</u> (Question C1.1, pages 2-3)</p> <p><u>Charter of the Innovation and Sustainability Committee</u></p> <p>Direct Board oversight of IFF's climate-related risks and opportunities is provided by the Board of Directors' Innovation and Sustainability Committee, who is responsible for reviewing IFF's sustainability and corporate responsibility policies, programs and practices, and assessing new opportunities to support the Company's sustainability and corporate responsibility targets and goals.</p> <p>Additionally, our Chairman of the Board and CEO chairs the Sustainability Business Council (SBC), which consists of cross-functional committees, including the integration of the company's sustainability strategy, which includes climate-related issues.</p> <p>IFF's Board of Directors also oversees and reviews the company's enterprise wide risks, including climate change, and the policies and practices established to manage such risks.</p>
Management's role in assessing and managing climate-related risks and opportunities	<p><u>Sustainability Governance, page 93</u></p> <p><u>Environmental Footprint, page 33</u></p> <p><u>CDP Climate Change response</u> (Questions C1.2 and C1.3, pages 3-4)</p> <p>IFF's Executive Vice President, Chief Scientific and Sustainability Officer, an Executive Committee (EC) member who reports directly to our CEO, provides executive oversight of our sustainability program, including managing climate-related risks and opportunities.</p> <p>Our Vice President of Global Sustainability is charged with leading and embedding sustainability throughout the organization via the SBC. IFF's SBC is comprised of cross-functional committees – Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design – each of which drives sustainability throughout that function, raises potential issues and provides regular progress updates to the SBC. IFF's Chief Sustainability Officer (CSO) is also a key leader of the SBC, and reviews climate-related targets and metrics quarterly.</p>
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
Climate-related risks and opportunities identified over short-term, medium-term and long-term horizon	<p><u>Environmental Footprint, page 33</u></p> <p><u>Risk Management, page 96</u></p> <p><u>CDP Climate Change response</u> (Questions C2.1-C2.4, pages 5-9)</p> <p>We define time horizons for climate risks and opportunities as: short-term (1-3 years), medium-term (3-6 years) and long-term (6-10 years). Risks are categorized as transition risks or physical risks. Transition risks result from a global transition to a low-carbon and climate-resilient economy, and physical risks result from extreme weather events and sustained higher temperatures.</p> <p>Although climate-related risks and opportunities exist, none were identified to have a substantive financial or strategic impact on our business.</p> <p>We define 'substantive financial impact' when identifying or assessing climate-related risks and opportunities in both our direct operations and supply chain as any change that would significantly affect our business, operations, revenue or expenditure. For example, a significant physical risk such as a change in precipitation patterns could result in price volatility and supply shortages. However, our Company works with purchasers to develop various sourcing strategies to avoid this risk.</p> <p>We continue to monitor potential risks and opportunities on an ongoing basis, and will update our conclusions as appropriate based on this process.</p>

DISCLOSURE	CROSS-REFERENCE OR ANSWER
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
<p>Impact on businesses, strategy and financial planning</p>	<p>Environmental Footprint, page 33 Risk Management, page 96 Sustainable Innovation, page 59 CDP Climate Change response (Questions C3.1d, C3.1e and C3.1f, pages 10-13)</p> <p>Through IFF's enterprise-wide risk management (ERM) effort, we aim to pro-actively manage companywide business risks.</p> <p>Impact on Business and Strategy</p> <p>IFF's strategies for our products, services and supply chain are influenced by climate-related risks and opportunities, particularly through R&D investments. As opportunities for more sustainable products and services are identified, they are reviewed with our R and D and Commercial teams and implemented by our Eco-Effectiveness Leadership Team at an asset level. In order to mitigate these climate change related supply chain risks regarding our raw materials, IFF works with our purchasers to develop sourcing strategies, including maintaining strategic stock levels for critical items, multiple suppliers, inventory management systems, various geographic suppliers and long-term agreements.</p> <p>IFF's strategies for operations are influenced by climate-related risks and opportunities, particularly through the assessment of the company's newly acquired assets. For example, IFF diligently assessed sustainability and climate related policies during the recent acquisition of Frutarom to improve upon the company's programs and strategies.</p> <p>Impact on Financial Planning</p> <p>Climate-related risks and opportunities are considered throughout IFF's financial planning. Natural products represent approximately half of our company's raw material spend, and climate change effects can have a negative impact on crop size and quality, impacting the availability and pricing of these natural products. These risks can negatively impact cost expectations, as our profits and operating results could be adversely affected.</p> <p>Low-Carbon Transition Plan</p> <p>Climate-related risks and opportunities have influenced IFF's business, strategy and financial planning to develop a low-carbon transition plan. This includes the implementation of the following:</p> <ul style="list-style-type: none"> • Science-Based Reduction Target: Reduce our absolute legacy IFF (excluding Frutarom) Scope 1 emissions and Scope 2 emissions (by 30% below 2015 levels by 2025.) • Renewable Energy: Procure 75% of our electricity portfolio from renewable sources by 2025 and invest in the installation of renewable energy. • Scope 3 Emissions Reduction: Engage suppliers representing 70% of our supply chain emissions to set their own SBTs and report annual emissions. • Circular Design Strategy: Develop and implement a circular-design-focused sustainability strategy throughout our company.
<p>Impact of different scenarios, including a 2°scenario</p>	<p>Metrics & Targets, page 36 CDP Climate Change response (Question C3.1b, page 10)</p> <p>IFF's GHG emissions target was approved by the Science-Based Targets initiative (SBTi) and aims to reduce our absolute legacy IFF (excluding Frutarom) emissions by 30% below 2015 levels by 2025.</p> <p>The result of IFF's scenario analysis and SBT inform our business objectives and strategy, including our decisions to increase renewable energy procurement and achieve greater energy efficiency through facility design, building, operation and maintenance. Additionally, to mitigate sourcing-related risks, we aim to diversify our sourcing strategy, maintaining strategic stock levels and developing flavors and fragrances using biotechnology.</p>

DISCLOSURE	CROSS-REFERENCE OR ANSWER
RISK MANAGEMENT	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
Process for identifying and assessing climate-related risks	<p>Risk Assessment Methodology, page 47 Risk Management, page 96 Metrics & Targets, page 36 CDP Climate Change response (Question, C2.2, pages 6 – 7)</p> <p>Identification of Climate-related Risks</p> <p>IFF's identification of climate-related risks is formally integrated into the company's multidisciplinary Enterprise Risk Management (ERM) program designed to identify and assess global risks to our business. IFF's ERM program continuously assesses direct operational, downstream and upstream climate change and other sustainability risks. This approach relies on management's evaluation of current events and our expectations regarding future developments.</p> <p>IFF's CEO and other senior management oversee the day-to-day execution of the risk management process, including decisions to mitigate, transfer, accept or control climate-related risks; while the Global Risk Committee integrates global risk activities to ensure appropriate prioritization of resources and alignment across IFF.</p> <p>Assessment of Climate-related Risks</p> <p>Climate risks and opportunities are assessed based on the magnitude and likelihood of impact, potential financial impact, return on investment, scale of capital costs or operational expenditures and potential for disruption or delays in production.</p>
Processes for managing climate-related risks	<p>Environmental Footprint, page 33 Metrics & Targets, page 36 Sustainable Innovation, page 59 CDP Climate Change response (Question C2.3, pages 6-7)</p> <p>IFF's climate-related mitigation strategies include:</p> <ul style="list-style-type: none"> • Implement ISO 14001 Environmental Management System • Increase use of renewable energy at our facilities • Set science-based target to reduce our greenhouse gas emissions by 30% below 2015 levels • Engage with suppliers to set their own science-based targets and report annual emissions • Embed a circular mindset throughout our company
Integration into overall risk management	<p>Risk Management, page 96 Corporate Governance, page 91-92 CDP Climate Change response (Questions C2.2 and C3.1, pages 6-7 and 9-13)</p> <p>Integration with Enterprise Risk Management</p> <p>Sustainability- and climate-related risks are formally incorporated into IFF's ERM program. The Global Risk Committee, established to integrate global risk activities, meets approximately six times per year to discuss critical risks, critique mitigation plans and review the gap analyses, with input from the Global Sustainability Team.</p> <p>Board Oversight</p> <p>IFF's Board of Directors is also actively involved in the oversight of risks, including overall strategy and management of all risks the company faces.</p>

DISCLOSURE	CROSS-REFERENCE OR ANSWER
METRICS & TARGETS	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	

Metrics used by the organization to assess climate-related risks and opportunities

[Environmental Footprint, page 33](#)

[Metrics & Targets, page 36](#)

[IFF Performance Data, page 104](#)

[External Assurance Statement, page 133](#)

[CDP Climate Change response](#) (Questions C6-C11, pages 23-45)

In addition to tracking and reporting on our scope 1, 2 and 3 absolute emissions, IFF also monitors and reports energy consumption, including renewable energy, CO₂ emissions from biomass burned on-site Hydrochlorofluorocarbon (HCFC) emissions from refrigerants used on-site and other air emissions.

Scope 1, 2 and 3 greenhouse gas emissions

[Metrics & Targets, page 36](#)

[Climate Change & Emissions, page 37](#)

[IFF Performance Data, page 104](#)

[External Assurance Statement, page 133](#)

[CDP Climate Change response](#) (Questions C6-C11, pages 23-45)

The following metrics represent IFF's 2020 greenhouse gas emissions (GHG) performance data:

GREENHOUSE GAS EMISSIONS*	PERFORMANCE (METRIC TONS OF CO ₂ E)
Direct emissions (Scope 1)	162,286
Operated indirect emissions (location-based Scope 2)	113,876
Operated indirect emissions (market-based Scope 2)	84,986
Scope 3 (purchased goods and services)	1,843,915
Scope 3 (upstream transportation and distribution)	174,788
Scope 3 (capital goods)	48,620
Scope 3 (fuel- and energy-related activities – not included in scope 1 or 2)	45,838
Scope 3 (waste generated in operations)	29,778
Scope 3 (employee business air travel)	2,387**

* 2020 absolute and intensity metrics were assured by a third-party ([External Assurance Statement, page 133](#)).

** 2020 legacy Frutarom employee business travel emissions were calculated based on employee headcount.

DISCLOSURE	CROSS-REFERENCE OR ANSWER
METRICS & TARGETS	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	

Targets used and performance against targets

[Environmental Footprint, page 33](#)
[Metrics & Targets, page 36](#)
[IFF Performance Data, page 104](#)
[CDP Climate Change response](#) (Questions C4.1 and C4.2, pages 14-16)

2025 TARGETS (2015 BASELINE)	PROGRESS AGAINST TARGETS
Reduce absolute Scope 1 and Scope 2 GHG emissions by 30%*	19.7% reduction (66% of our goal)
Engage suppliers representing 70% of our supply chain emissions to set their own SBTs and report annual emissions	Engaged suppliers representing 43% of supply chain emissions** through the CDP Supply Chain platform. Of this, suppliers representing 31% of supply chain emissions** have approved, committed to or plan to set an SBT.
Procure 75% of our electricity portfolio^ from renewable sources	166,513 megawatt hours (MWh) of renewable electricity procured, representing 52.0% of our electricity portfolio^ (69% of our goal).

In addition to the above climate-related targets, IFF is also a member of RE100, and as such, is committed to procuring 100% of our electricity needs from renewable sources in the shortest practical timescale possible and as financially feasible.

* IFF's GHG emissions reduction target was approved by the Science Based Targets initiative (SBTi).

** Legacy IFF (excluding Frutarom)

^ Based on our 2015 site portfolio

External Assurance Statement

Independent Assurance Statement to International Flavors and Fragrances Inc.

ERM Certification and Verification Services (ERM CVS) was engaged by International Flavors and Fragrances Inc. (IFF) to provide limited assurance in relation to the information set out below and presented in the IFF Sustainability Report 2020.

ENGAGEMENT SUMMARY	
SCOPE OF OUR ASSURANCE ENGAGEMENT	<p>1. Whether the 2020 Sustainability Report presents a complete and balanced presentation of IFF's sustainability activities and performance in the reporting year in accordance with the GRI Standards (Core option) and SASB Chemical standard;</p> <p>2. Whether the 2020 information and data for the specified indicators listed below are fairly presented in accordance with the reporting criteria:</p> <p>Environmental indicators:</p> <ul style="list-style-type: none"> • Total GHG Scope 1 (absolute and intensity) [metric tons CO₂e] • Total GHG Scope 2 location and market-based emissions (absolute and intensity) [metric tons CO₂e] • Selected 2020 Scope 3 emissions: <ul style="list-style-type: none"> ◦ Category 2: Capital goods [metric tons CO₂e]; ◦ Category 3: Fuel-and-energy-related activities [metric tons CO₂e]; ◦ Category 5: Waste generated in operations [metric tons CO₂e]; ◦ Category 6: Employee business air travel [metric tons CO₂e]; • Selected 2019 Scope 3 emissions: <ul style="list-style-type: none"> ◦ Category 3: Fuel-and-energy-related activities [metric tons CO₂e]; ◦ Category 6: Employee business air travel [metric tons CO₂e]; • Other emissions: VOCs, NOx, SOx [metrics tons] • Total energy consumption (direct and indirect) (absolute and intensity) [GJ] • Total water (withdrawal and discharge) (absolute and intensity) [Million cubic meters] • Total waste generated (hazardous and non-hazardous) (absolute and intensity) [Thousand metric tons] <p>Safety Indicators</p> <ul style="list-style-type: none"> • Total Recordable Incident Rate (TRIR) per 100 employees in 2020 • Total Lost Time Incident Rate (LTIR) per 100 employees in 2020 <p>Other indicators:</p> <ul style="list-style-type: none"> • ISO 14001 Certified operations (medium and large facilities) • Production volume [metric tons]
REPORTING CRITERIA	<p>GRI Sustainability Reporting Standards;</p> <p>WBCSD/WRI GHG Protocol for Scope 1, 2, and 3 GHG emissions;</p> <p>IFF's internal reporting criteria and definitions;</p> <p>SASB Chemical sector reporting requirements.</p>
ASSURANCE STANDARD	<p>ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).</p>
ASSURANCE LEVEL	<p>Limited assurance.</p>
RESPECTIVE RESPONSIBILITIES	<p>IFF is responsible for preparing the Report and for the collection and presentation of the information within it.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

OUR CONCLUSIONS

Based on our activities, as described below, nothing has come to our attention, to indicate that IFF's 2020 Sustainability Report is not a complete and balanced presentation of IFF's sustainability activities and performance in 2020, in accordance with GRI Standards (Core option) or that the 2020 information and data for the topics and indicators listed above are not fairly presented, in all material respects, in accordance with the reporting criteria.

EMPHASIS OF MATTER

We draw attention to the explanatory notes included in the COVID-19 Safety Management Approach callout in the *Occupational Health & Safety* section on page 86 and the footnote to 2020 data on page 88 of the report regarding the assessment of work-relatedness of COVID-19 cases identified by the COVID-19 task force and should be taken into account by users of the data. This does not affect our conclusions.

OUR ASSURANCE ACTIVITIES

Our objective was to assess whether the selected information and data are reported in accordance with the principles of completeness, comparability, and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our limited assurance conclusion.

A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- Multiple 'virtual' interviews at corporate level with the IFF Sustainability Team to understand IFF's Sustainability Report preparation, stakeholder engagement and materiality determination processes.
- Evaluation of information provided by internal Subject Matter Experts in the sustainability reporting questionnaires regarding management approach and key highlights of the reporting period, as well as main reporting framework requirements (GRI, SASB).
- A review of external media reporting relating to IFF to identify relevant issues in the reporting period.
- Review of sample documentary evidence review to support the management assertions in the Sustainability Report and evaluate the completeness and balance of the content based on the assurance evidence collected.
- 'Virtual' interviews with Corporate environmental data owners responsible for data collection and consolidation in order to understand the company's environmental strategy, internal data controls, calculation methodologies used and the main activities in the reporting year.
- A walkthrough of IFF's newly incorporated environmental data management system and evaluation of the effective transfer of prior year information, emission factors and unit conversions into the new system.
- 'Virtual' visits to six IFF locations (Benicarlo, Spain; Hazlet, USA; Haverhill, UK; Pucheng, China; Karawang, Indonesia; SADEV, France) to interview relevant staff, review local data capture and reporting methods, check calculations and assess local quality controls.
- Evaluation of the safety data assessment and data management processes, including review of rate calculations for 2020 and 2019 restated figures, as well as discussions with members of the IFF COVID-19 Task-force and review of COVID-19 related training materials.
- A review of the site level ISO 14001 certifications renewed in the reporting year.

Appendix

- An analytical review of the Q1-Q3 and year-end data submitted by all locations included in the consolidated 2020 group data for the selected disclosures which included testing its completeness and mathematical accuracy and checking conversion factors and emission factors used.
- Detailed review of the methodology used for Scope 3 GHG calculations, as well as underlying activity data.
- Examination of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

THE LIMITATION OF OUR ENGAGEMENT

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. Our assurance should be considered in this context.

Force Majeure – COVID-19

During our assurance engagement, travel restrictions were imposed following the outbreak of COVID-19. As a result, we agreed to replace in person head office visit and site visits with 'virtual' visits via conference and video calls for this year's assurance engagement. While we believe these changes do not affect our limited assurance conclusion above, we draw attention to the possibility that if we had undertaken in person visits we may have identified errors and omissions in the assured information that we did not discover through the alternative assurance program.

OUR OBSERVATIONS

We have provided IFF with a separate management report with our detailed (non-material) findings and recommendations. Without affecting the conclusions presented above, we have the following key observation:

- As noted in our prior assurance statement regarding 2019 data, IFF was in the process of assessing safety data management for its Frutarom legacy sites, and based on this, IFF has restated 2019 figures for TRIR and LTIR.
- IFF is in the process of improving the documentation for global tracking of COVID-19 cases and the assessment of work-relatedness per standard safety guidelines.



Beth Wyke
Partner, Head of Corporate Assurance
10 May 2021



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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to IFF in any respect.

Special Note Regarding Forward-Looking Statements

Statements in this annual Sustainability Report that are not historical facts or information are “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. These forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in the Company’s business that could cause actual results and events to differ materially from those in the forward-looking statements. Certain of such forward-looking information may be identified by such terms as “expect,” “anticipate,” “believe,” “outlook,” “may,” “estimate,” “should” and “predict” or similar terms or variations thereof. Such forward-looking statements are based on a series of expectations, assumptions, estimates and projections about the Company, are not guarantees of future results or performance, and involve significant risks, uncertainties and other factors, including assumptions and projections, for all forward periods. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements.

The Company intends its forward-looking statements to speak only as of the time of such statements and does not undertake or plan to update or revise them as more information becomes available or to reflect changes in expectations, assumptions or results.

The Company can give no assurance that such expectations or forward-looking statements will prove to be correct. Any public statements or disclosures by IFF following this report that modify or impact any of the forward-looking statements contained in or accompanying this report will be deemed to modify or supersede such outlook or other forward-looking statements in or accompanying this report.

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WE VALUE YOUR FEEDBACK

We welcome any questions, comments, suggestions or feedback on our 2020 Sustainability Report: iff.com/contact-us or sustainability@iff.com.

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COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.