



RESPONSIBLE SOURCING POLICY

Policy Owner: Global Procurement and Global Sustainability

Effective Date: 5 November 2021

I. SUMMARY

The objective of this Responsible Sourcing Policy (the “Policy”) is to communicate IFF’s position and expectations with respect to the responsible sourcing of raw materials. The Policy aligns with IFF’s Global Procurement commitments and Global Sustainability goals. The Policy promotes engagement and standardized communication with our Suppliers.

II. APPLICABILITY & SCOPE

This Policy applies to all IFF Personnel, Business Partners, Direct and Indirect Suppliers, as well as contractors, consultants and temporary employees or secondees.

This Policy and other relevant policies and procedures set a minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed.

The scope of the Policy includes the sourcing of all raw materials purchased by IFF Global Procurement and related services. The expectations set forth in this Policy apply to all Direct and Indirect Suppliers in our businesses globally.

III. DEFINITIONS

Business Partner: Any agent, distributor, joint venture and equity investment partner, customs broker, consultant or any other third party that is authorized to act for, or on behalf of, IFF.

Code: IFF’s Code of Business Conduct & Ethics.

IFF: International Flavors & Fragrances, Inc. and its subsidiaries and affiliates and any company that is directly or indirectly wholly or majority-owned or otherwise controlled by it.

IFF Personnel: Any worldwide employee, officer or director of IFF.

Direct Suppliers: Any person(s) or organization providing raw materials and goods used directly in IFF manufacturing processes.

Indirect Suppliers: Any person(s) or organization providing services and goods not used directly in IFF manufacturing processes.

Suppliers: IFF's Direct and Indirect Suppliers.

IV. POLICY INTRODUCTION

IFF's supply chain is broad and complex. We source tens of thousands of different raw materials from an extensive network of domestic and international Suppliers and distributors. We recognize that our footprint extends beyond our own operational control and that, in order to make a positive impact, we must influence our entire value chain.

Our Responsible Sourcing program seeks to ensure ethical practices in our supply chain, reduce impact to the environment and support workers and grower communities. This aligns with our global corporate strategy for sustainability.

At the core of our Responsible Sourcing program, we embrace industry partnerships, customer engagements and customized solutions to address complex supply chain sourcing challenges. We cannot do this alone and we rely on strong relationships with our Suppliers to share responsibility in building transparent and ethical supply chains together.

V. RESPONSIBLE SOURCING AT IFF

We are committed to supplying compliant, consistent, safe, responsibly sourced and sustainable products that push the boundaries of what's expected. IFF considers raw materials as responsibly sourced when they meet our social and environmental expectations (stated in this Policy) or for which continuous improvement plans are in place for Suppliers to work on.

This Policy is guided by the Sustainable Development Goals (SDGs), the International Labor Organization (ILO) conventions, the Ten Principles of the United Nations (U.N.) Global Compact, the U.N. Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights.

We expect our Suppliers to:

- **Comply with IFF's Vendor Code of Conduct, which sets forth the basic requirements a vendor must meet in order to maintain a business relationship with IFF.**

The Vendor Code of Conduct is available in multiple languages on IFF's policy center at <https://www.iff.com/responsibilities/ethics-transparency/policy-center>.

- **Support traceability of raw materials by establishing robust processes and systems.**

Sourcing responsibly requires that IFF accurately trace the origins of the materials we purchase. Traceability helps to ensure responsible practices,

respect for the environment, and respect for the people and communities in our supply chains.

In support of our commitment to traceability, Suppliers are expected to take ownership and responsibility for IFF requests for ingredient sourcing details.

- **Commit to environmental conservation and biodiversity enhancement by protecting natural ecosystems from deforestation, conversion and degradation.**

- Ensure legal compliance, where applicable, of the use and trade of natural ingredients, including but not limited to Nagoya Protocol and Access and Benefit Sharing (ABS), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and Stockholm Convention on Persistent Organic Pollutants (POP).
- Support biodiversity conservation and regeneration to reduce biodiversity loss by protecting endangered species, restricting forest clearing, and adopting safe and sustainable agricultural practices.
- Conserve aquatic ecosystems and sustainably use the oceans, seas and marine resources.
- Commit to environmental targets and collaborate with disclosure platforms such as CDP (formerly Carbon Disclosure Project) to report on environmental impacts.
- Commit to animal welfare, where applicable, and ensure that no wild animals are involved in the cultivation, harvest, or transformation of the raw materials provided to IFF.

- **Respect human rights, people health and safety including those of indigenous people, local communities, workers and smallholders.**

Our approach to respecting human rights is outlined in IFF's Global Human Rights Policy and IFF's Slavery and Human Trafficking Statement.

Furthermore, we encourage suppliers to:

- Adopt their own commitment or policy to respect human rights
- Develop an ongoing human rights due diligence process to identify, prevent and mitigate potential impacts in their supply chains and own operations
- Engage with stakeholders, including those directly affected and human rights experts, to inform actions and decisions that help to prevent human rights impacts from occurring or find more creative ways to address them
- Implement an effective grievance mechanism to enable affected stakeholders to raise issues without fear of retaliation and provide access to remedy

- **Disclose and share details of own operations through third party programs upon request.**

IFF reserves the right to request assessments and audits to be performed. Suppliers are expected to:

- Meet IFF requests including, but not limited to completing internal questionnaires, allowing onsite visits, providing documentation and records, and sharing audit reports.
- Address IFF (or IFF customer) requests for third-party assessments and audits:
 - **Third-party assessments:** IFF may request Suppliers to complete third-party assessments through EcoVadis, Sedex SAQ, or a similar platform or tool .
 - **Third-party audits:** IFF may also request audits at Supplier sites. Audit schemes will vary based on scope, region, raw material, and partners. These include, but are not limited to:
 - Sedex SMETA 4-pillar audits
 - Together for Sustainability (TfS) audits
 - Union for Ethical Biotrade (UEBT) audits
 - Rainforest Alliance audits
 - EcoCert audits

To reduce audit replication and fatigue, IFF considers mutual recognition of audits that our Suppliers may have already completed so they can focus on implementing improvements. Reports from audit programs that are not listed above are subject to IFF review and approval.

- Develop and implement corrective action plans for gaps identified through assessments and audits.

We encourage our Suppliers to be transparent about supply chain challenges so we can work towards identifying and implementing practical solutions together.

VI. BEYOND OUR STANDARD

IFF is committed to industry and partnership programs that aim to achieve traceable, sustainable and ethical raw materials. We encourage Suppliers to explore opportunities to engage in such programs and participate in collaborations that will strengthen their responsible sourcing practices.

- **Third-Party Certifications**

We encourage Suppliers to review and consider certification programs suitable for their needs in the long-term.

These certification programs include, **but are not limited to**:

- EcoCert For Life program —learn more [here](#).
- Fair Wild program for wild harvesting – learn more [here](#).
- Union for Ethical BioTrade (UEBT) —learn more [here](#).
- Roundtable for Sustainable Palm Oil (RSPO) – learn more [here](#).
- Round Table on Responsible Soy – learn more [here](#).
- The ProTerra Standard – learn more [here](#).
- Rainforest Alliance – learn more [here](#).
- Forest Stewardship Council (FSC) – learn more [here](#).
- Programme for the Endorsement of Forest Certification (PEFC) – learn more [here](#).
- Farm Sustainability Assessment (FSA) from the Sustainable Agriculture Initiative (SAI) – learn more [here](#).

- **Shared-Value Community Programs**

At IFF, we believe that going beyond responsible sourcing means connecting business performance directly with societal impact. These programs are designed to support the communities we operate in and source from to achieve net positive impact through long-term business commitments. We encourage Suppliers to engage with the local communities where they operate in and source from.

For examples of our community programs, visit IFF's latest Sustainability Report in our [Report Library](#).

- **Supply Chain Disclosures**

IFF participates in various supply chain disclosures. We also encourage our Suppliers to disclose information about their own sourcing practices and operations to support the sustainability of their business. IFF may request Suppliers to do so through CDP or similar programs.

- **Supplier Diversity Program**

IFF recognizes the value diversity brings to both the communities we serve and our company's growth, working together towards a better, more equitable world. The aim of our supplier diversity program is to promote the inclusion of small and diverse businesses in our procurement activities.

We globally recognize certifying organizations of diverse suppliers, which include, **but are not limited to**:

- WeConnect International – learn more [here](#).
- Women's Business Enterprise National Council (WBENC) – learn more [here](#).
- National Minority Supplier Development Council (NMSDC) – learn more [here](#).
- Disability:IN – learn more [here](#).

For more information, please visit <https://www.iff.com/responsibilities/sourcing>.

VII. WHERE TO GO FOR HELP

If you have questions about this Policy, please contact a member of IFF's Global Procurement or Global Sustainability teams.

If you believe that someone may have violated this Policy, please contact IFF's Global Ethics & Compliance team at compliance@iff.com. You may also report a concern or violation at <http://iff.com/speakup>.

IFF strictly forbids reprisal, retaliation, or subsequent discrimination against any person who in good faith raises a concern or reports possible misconduct.

IFF will investigate alleged misconduct in relation to this Policy in accordance with internal procedures on investigations. Any IFF Personnel who violates this Policy may be subject to disciplinary measures, up to and including termination of employment.

VIII. REFERENCE DOCUMENTS

IFF has other policies regarding the sourcing and supply of specific raw materials. Suppliers are also expected to adhere to these policies, which can be found on IFF's policy center at <https://www.iff.com/responsibilities/ethics-transparency/policy-center>.

- IFF Vendor Code of Conduct
- IFF Global Policy on Sustainable Palm Oil
- IFF Global Human Rights Policy
- IFF Slavery and Human Trafficking Statement

IX. DOCUMENT HISTORY

Issue Date	Version	Description for Changes
9 Nov 2020	1.0	Initial release. This is a new policy on responsible sourcing.
5 Nov 2021	1.5	Annual review. Revised policy for IFF post-merger activities.