

F0. Introduction

F0.1

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

International Flavors & Fragrances Inc. is a leading creator and manufacturer of food, beverage, health & biosciences, scent and pharma solutions and complementary adjacent products, including cosmetic active and natural health ingredients, which are used in a wide variety of consumer products. Our products are sold principally to manufacturers of dairy, meat, beverages, snacks, savory, sweet, baked goods and other foods, personal care products, soaps and detergents, cleaning products, perfumes and cosmetics, dietary supplements, food protection, infant and elderly nutrition, functional food, pharmaceutical and oral care products. As a result, we hold global leadership positions in the Food & Beverage, Home & Personal Care and Health & Wellness markets, and across key Tastes, Textures, Scents, Nutrition, Enzymes, Cultures, Soy Proteins, Pharmaceutical Excipients, Biocides and Probiotics categories.

Please note the corporate action referenced below will have an impact on climate reporting as we establish a new corporate baseline for 2021.

On February 1, 2021, pursuant to an Agreement and Plan of Merger (the "Merger Agreement") with DuPont de Nemours, Inc. ("DuPont"), a wholly owned subsidiary of IFF merged with and into Nutrition & Biosciences, Inc. ("N&B"), a subsidiary of DuPont holding its Nutrition and Biosciences business (the "N&B Business," and such transaction, the "N&B Transaction"). The shares issued in the merger represented approximately 55.4% of the common stock of IFF on a fully diluted basis, after giving effect to the merger, as of February 1, 2021.

Note: for reference in this questionnaire, IFF Legacy includes data related to the 2018 acquisition of Frutarom, unless otherwise stated. The new 2021 baseline includes data for the combined company which reflects the 2021 merger with DuPont N&B.

F0.2

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

	Start Date	End Date
Reporting year	January 1 2021	December 31 2021

F0.3

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

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Not disclosing	Manufacturing	IFF purchases timber products. These represent a less than 0.05% of our portfolio and we are prioritizing Palm Oil for our supply chain stakeholders.
Palm oil	Disclosing	Manufacturing	<Not Applicable>
Cattle products	Not disclosing	Manufacturing	IFF purchases animal derived raw materials. Currently this represents only 0.2% of our total volume and we are prioritizing Palm Oil for our supply chain stakeholders.
Soy	Not disclosing	Manufacturing	IFF purchases soy sauce and soybean oils. These represent 0.9% of our total volume and we are prioritizing Palm Oil for our supply chain stakeholders.
Other - Rubber	Not disclosing	Manufacturing	IFF purchases rubber-derived products. Currently, this represents less than 1% of our total volume and we are prioritizing Palm Oil for our supply chain stakeholders.
Other - Cocoa	Not disclosing	Manufacturing	IFF purchases cocoa and this represents only 0.9% of our total volume and we are prioritizing Palm Oil for our supply chain stakeholders.
Other - Coffee	Not disclosing	Manufacturing	IFF purchases coffee and this represents only 0.7% of our total volume and we are prioritizing Palm Oil for our supply chain stakeholders.

F0.5

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

No

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	IFF

F1. Current state

F1.1

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

Palm oil

Activity

Using as input into manufacturing process for power generation

Form of commodity

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

Source

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

Country/Area of origin

- Brazil
- Cambodia
- Colombia
- Costa Rica
- Côte d'Ivoire
- Ecuador
- Gabon
- Ghana
- Guatemala
- Honduras
- Indonesia
- Malaysia
- Nicaragua
- Panama
- Papua New Guinea
- Peru
- Philippines
- Solomon Islands
- Thailand

% of procurement spend

1-5%

Comment

At IFF, we use around 0.8 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Although our consumption is minimal, because the production of palm oil is linked to deforestation, biodiversity destruction and human rights abuses, we have an important role to play in ensuring that the palm oil in our supply chain – no matter how small – comes from sustainable sources. Currently palm oil (PO), palm kernel oil (PKO) based raw materials and derivatives represent approximately 5.02% of our total direct spend. These raw materials are used as components of flavors and fragrances. IFF is a member of the Roundtable on Sustainable Palm Oil (RSPO) and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. We also seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses. We have a corporate sustainable palm oil policy in place, which includes a goal to source from deforestation and conversion free palm oil supply chains by 2025. In 2021, 60% of the volume were certified RSPO and the remaining 40% was covered with RSPO Book & Claim credits (including smallholder credits). In 2021, we also refreshed our palm oil policy and implementation plan and continue to support sustainable palm oil sourcing. We currently have 38 facilities that meet the standards of RSPO Supply Chain Certification.

F1.2

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

	% of revenue dependent on commodity	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	11-20%	Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 1-5% of our revenue. This includes revenue for products sold as RSPO Mass Balance, Segregated and Identity Preserved certified. While PO/PKO and derivatives are commonly used in the manufacture of flavors and fragrances, these represent very small percentages of our final flavors or fragrances products.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

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

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

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

113369

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

60

Please explain

60% of the volume physically is certified RSPO. The remaining 40% is covered with RSPO Book & Claim credits (including smallholder credits)

F1.5b

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

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

Please explain

In 2021, IFF merged with DuPont Nutrition & Biosciences. To be reflective of the combined company, we launched an updated commitment on palm oil in December 2021 that outlines the implementation steps we are taking to drive improvement through our palm oil supply chain and contribute to the transformation of the wider palm oil sector. We also launched a palm traceability assessment for the new portfolio, in partnership with Proforest, for 2021 volumes. The company decided to prioritize the strategic top portion of the volume, covering 96.7%, with 82% of traceability to mills. In terms of the national/subnational jurisdiction for the origin of the volumes that IFF sources, we are not able to calculate an exact % of where these volumes are coming from, as we have successfully aggregated our mills' list but there is not yet exact volume linked to each mill. We have mapped the T1 suppliers, partial mapping of the T2 suppliers (this entails the refineries that supply the suppliers; we indicate as partial mapping since not all suppliers disclosed this data), and we have collected the mill list. Hence, for those suppliers that disclosed the refinery data, we have a volume associated to this, yet these refineries could have sourced from multiple jurisdictions, and in different proportions.

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

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Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

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Forest risk commodity

Palm oil

Country/Area of origin

Côte d'Ivoire

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

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Forest risk commodity

Palm oil

Country/Area of origin

Gabon

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

5

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

5

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

40

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

40

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Nicaragua

State or equivalent jurisdiction

Not disclosing

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Panama

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Philippines

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

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F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

F1.6

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

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

F2. Procedures

F2.1

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

Yes, forests-related risks are assessed

F2.1a

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

Palm oil

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Other, please specify (NEPCon Sourcing Hub)

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Description of each of the tools/methods: Our internal company methods for identifying and assessing forests-related risks align with a multidisciplinary enterprise risk management program to ensure they are evaluated consistently across the company. Forests-related risks are annually assessed across our full direct operations and supply chain to inform our annual procurement process. Our risk assessment methodology uses reliable indices such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index and Yale Environmental Performance Index (EPI) to assess risk. We also utilized external consultants to validate our internal company methods. In 2019, we expanded our risk assessment tool to incorporate global ESG risk insights, and in 2021, we completed a risk methodology refresh with the Rainforest Alliance since new data was available for most indices the tool relies on. 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. Issue(s) considered most significant to company: The responsible sourcing of palm oil is the forest-related issued that IFF considers most significant to our company. Responsible sourcing is central to the way we source and work with suppliers, and we are committed to driving improvement through our palm oil supply chain and contributing to the transformation of the wider palm oil sector. Our intention is to source all palm oil sustainably. How this has been assessed using the specified tools and methods: In 2021, IFF conducted a palm oil supply chain mapping study with our partner Proforest. This process of third-party engagement has been effective in validating our approach for assessing forest-related risks. In 2021, we continued to leverage the risk assessment results developed with our partners. As part of our program cadence, we review and refresh our responsible sourcing risk assessment methodology on a 2-3 year basis and the next update is planned for 2021-2022.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

% of total suppliers covered within selected tier(s)

96.7

Description of mapping process and coverage

In 2021, we partnered with a third-party company, Proforest, to map out the suppliers representing the top 96.7% of our total 2021 volume to mills. We could go beyond the mills for part of the volume mapped, reaching out to the plantations. The remaining 3.3% represent a very long-tail volume and could not be mapped due to operational limitations. Therefore, at this moment, the company decided to prioritize the top 96.7% volume for being the strategic portion of it. The mapping process was implemented by sending of a traceability questionnaire. This questionnaire requested suppliers to share their traceability to mill and to plantation volumes percentages, and their mill lists. For this year, the request of adding the refinery supplying the T1 suppliers was new compared to last year. We have a partial mapping of the T2 suppliers this includes the refineries that supply the suppliers; we indicate a partial mapping as the availability of this data is inconsistent across suppliers. Tier 1: 96.7% of T1 suppliers (44 out of 69 were assessed in the traceability exercise)

Your own production and primary processing sites: attach a list of facility names and locations (optional)

IFF - List of facility names and locations.docx

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

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

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

F3.1a

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

We define 'substantive financial impact' when identifying or assessing risks in both our direct operations and supply chain as any change that would significantly affect our business and operations. We utilize revenue and expenditures as quantifiable indicators of risk. In order to come to this definition of substantive risk, we have a multidisciplinary company-wide enterprise risk management program that annually assesses risks, including sustainability issues and responsible sourcing, on our business and the business of our customers. We annually prepare and review a risk dashboard with senior management and the Board of Directors. When prioritizing risks and opportunities, our strategic pillars are the starting point. However, we also identify natural disasters and other forest-related exposures as part of our process. As it relates to prioritization, consideration is also given to the following items: impact; both internal and external influences; our current capability and prior experience in mitigating such risks; and our expectations of the future outlook for the identified risk.

The metric that we use to identify forest-related risks is based on our responsible sourcing risk assessment methodology which categorizes the ingredients and suppliers that we source from according to their environmental and social risks and performance, which helps us to identify and prioritize risks so they can be appropriately mitigated. For example, social and environmental impact risks for suppliers and raw materials, including those related to local communities, are assessed at the country level, using reliable indexes such as the Human Development Index (HDI), Worldwide Governance Indicators (WGI), Freedom in the World (FIW) - Human Rights Index, the Yale Environmental Performance Index (EPI), and the International Union for Conservation of Nature (IUCN). The EPI includes Biodiversity & Habitat and Forests, among other risk indicators. In 2020, we conducted hot-spot screenings using NEPCon Sourcing Hub for palm oil and Global Forest Watch for deforestation in high-risk countries. In 2019, we expanded our risk assessment tool to incorporate global ESG risk insights, and in 2021, we completed a risk methodology refresh with the Rainforest Alliance since new data was available for most indices the tool relies on. In 2021, IFF conducted a risk assessment for our legacy IFF suppliers and approximately 75% of renewables and natural ingredients. The results of the assessment inform our supplier engagement activities, assessment and audit requirements, and procurement decisions. As a next step, a risk assessment for heritage N&B suppliers and materials is also planned for rollout.

In addition, we conducted a structured ESG materiality analysis to identify the issues of most importance to our company and our stakeholders. The results of the ESG materiality analysis identify potential strategic risks to consider, however these may not rise to the level to be considered substantive. In 2021 as part of the merger with DuPont N&B we completed an ESG materiality assessment of the new combined company. For the assessment we evaluated these issues based on their importance to our stakeholders and their potential impact on our business, by soliciting feedback from IFF employees, including our Sustainability Steering Team, key customers, and NGOs. This input helped us further transform and adapt our sustainability strategy in order to properly manage supply chain and other environmental issues. The ESG materiality analysis identified responsible sourcing and associated topics such as biodiversity, raw materials and traceability related to supply chain as most material to IFF's stakeholders. At IFF, we know that our approach to sustainability and responsible sourcing must continually evolve, and we will continue to engage with stakeholders through dialogue on sustainability and materiality to identified new emerging and evolving responsible sourcing risks and opportunities topics to consider in the future. The above methodologies have helped to further define substantive risk.

F3.1b

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

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Other parts of the value chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Potential Impact on IFF Operations: 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. Through RSPO we can encourage collaboration with industry peer groups and our customers to raise the bar on certified materials. Public awareness of sustainable palm sourcing continues to grow, and we see an increasing demand from customers of certified sustainable products. If we are not able to secure sustainable palm supply in our products, this will impact our production capacity as palm oil is an essential raw material input in our supply chain. We consider this to be a strategic risk as it does not rise to the level of substantive risks. Supply is secured on a year-to-year basis and we review our palm supply chain annually as different circumstances may happen e.g. new certified sources become available, supply chain partners exiting / enter their RSPO certifications, natural disasters.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

222300000

Potential financial impact figure - maximum (currency)

257400000

Explanation of financial

We estimate that the financial impact is low because at IFF we use less than 1 percent of the palm oil and palm kernel oil produced worldwide, and we are one of many players in the palm supply chain. Therefore, this would be more of a strategic impact as we manage our supply chain. Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent a significant part of our revenue. The range of financial impact is calculated by taking 0.1% of 19-22% of our annual revenue from palm oil. In 2021, IFF's annual revenue was 11.7 Billion USD.

Primary response to risk

Promotion of certification, including financial incentives

Description of response

IFF's Strategy, Actions Taken, Timescale: As an ordinary 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. Since 2020, IFF has also been a member of the North American Sustainable Palm Oil Network (NASPON), an independent group committed to increasing the use of certified sustainable palm oil in North America. As members of RSPO and NASPON, IFF participates in regular meetings and other events to build momentum toward our mutual sustainable palm oil sourcing ambitions. We currently have more than 30 facilities that meet the standards of RSPO Supply Chain Certification. We'll continue our close partnership with the RSPO and NASPON. In 2021, we refreshed our Sustainable Palm Oil Policy with a commitment to source from deforestation- and conversion-free palm oil supply chains by 2025 and continue to support RSPO as a mechanism to mainstream sustainable palm oil. We will source exclusively from RSPO members and source 100% physical certified RSPO palm oil, palm kernel oil and their derivatives by 2025 globally. We will also increase RSPO Supply Chain certification for our manufacturing facilities, enabling us to supply RSPO certified ingredients to our customers.

Cost of response

Explanation of cost of response

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

F3.2

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

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

F3.2a

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

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Other parts of the value chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

Strategic Importance of Increasing Demand for Certified Materials to IFF: Public awareness of sustainable palm sourcing continues to grow, and we see an increase demand from customers of certified sustainable products. At IFF, we use less than 1 percent of the palm oil and palm kernel oil produced worldwide, primarily in the form of specialized derivatives. Palm oil is used minimally in our products, but we recognize we have an important role to play in ensuring that the palm oil in our supply chain comes from responsible sources and drive demand for sustainable materials. Currently, Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 19-22% of our revenue and approximately 1.0% of our total direct spend. This includes revenue for products sold as RSPO- certified. IFF's Actions Taken, Timescale: As an ordinary 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. Since 2020, IFF has also been a member of the North American Sustainable Palm Oil Network (NASPON), an independent group committed to increasing the use of certified sustainable palm oil in North America. As members of RSPO and NASPON, IFF participates in regular meetings and other events to build momentum toward our mutual sustainable palm oil sourcing ambitions. We currently have more than 30 facilities that meet the standards of RSPO Supply Chain Certification. We'll continue our close partnership with the RSPO and NASPON. In 2021, we refreshed our Sustainable Palm Oil Policy with a commitment to source from deforestation- and conversion-free palm oil supply chains by 2025 and continue to support RSPO as a mechanism to mainstream sustainable palm oil. We will source exclusively from RSPO members and source 100% physical certified RSPO palm oil, palm kernel oil and their derivatives by 2025 globally. We will also increase RSPO Supply Chain certification for our manufacturing facilities, enabling us to supply RSPO certified ingredients to our customers.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

222300000

Potential financial impact figure – maximum (currency)

257400000

Explanation of financial impact figure

We estimate that the financial impact is low because at IFF we use less than 1 percent of the palm oil and palm kernel oil produced worldwide, and we are one of many players in the palm supply chain. Therefore, this would be more of a strategic impact as we manage our supply chain. Palm oil (PO) and Palm Kernel Oil (PKO) and derivatives represent 19-22% of our revenue. The range of financial impact is calculated by taking 0.1% of 19-22% of our annual revenue coming from palm oil. In 2021, IFF's annual revenue is 11.7 billion USD.

F4. Governance

F4.1

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

Yes

F4.1a

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

Position of individual	Please explain
Board Chair	In 2021, our Chairman of the Board and CEO chaired our internal Sustainability Business Council (SBC), which consists of cross-functional committees - Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design - which are Executive Committee members and supported by a member of the Global Sustainability team. Each of these committees drives sustainability throughout that function, raises potential issues and provides regular updates to the SBC on progress. This governance model relies on functional integration of our sustainability strategy, which includes forest-related issues (e.g., traceability and projects for palm oil), across IFF, goal development, implementation and progress toward goals. In December 2021, the Board Chair approved our 'Do More Good Plan', IFF's ESG road map that promotes regenerative ecosystems and achieving zero deforestation for strategic raw material supply chains by 2030, beginning with palm, soy and wood.

F4.1b

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

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	In 2021 our Chairman of the Board and CEO chaired the Sustainable Business Council (SBC), and cross-functional committees – Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design – are each led by the appropriate EC member and supported by a member of the Global Sustainability team. Each of these committees drives sustainability throughout that function, raises potential issues and provides regular updates to the SBC on progress. Our Chairman of the Board and CEO's position leading the SBC, combined with our company-wide functional integration of sustainability strategy, allows the board to continually monitor implementation and performance of objectives. These governance mechanisms contribute to the board's oversight of forest-related issues by providing a direct conduit to the SBC and committees that implement our policies, such as the Palm Oil policy, and approval of action on key projects such as palm traceability (conducted in 2019). For example, in 2020 the SBC addressed the challenges of supply chain disruptions caused by the global pandemic and provided guidance on actions needed, involving closure of certain regional and local operations. These issues are scheduled for some but not all board meetings. This governance model relies on functional integration of our sustainability strategy, which includes forest-related issues, across IFF, including goal development, implementation and progress toward goals.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

There are two main criteria that IFF utilizes to define competency across ESG related topics, including climate change, water stewardship, and deforestation. The first criterion is a broad understanding of global ESG issues as it related to IFF operations. The second criterion is participating in external/internal events and/or on councils related to global ESG leadership. For example, in 2021 IFF CEO Andreas Fibig, served as an executive committee (ExCo) member of the World Business Council for Sustainable Development (WBCSD). As defined by WBCSD one of the qualifications of being a member of ExCo is "Having detailed knowledge of and in-depth experience in key sustainability areas". WBCSD is a "CEO-led community of the world's leading sustainable businesses which work together to accelerate the effort to be net-zero and nature positive." The WBCSD's mission is to combat climate change through businesses by providing SBT guidance as well as providing tools, protocols and best practices in order to combat nature inequality and climate change. Andreas served on WBCSD's ExCo for several years which helped IFF progress toward the company's climate impact goals and expanded his knowledge within Climate Change, Water Stewardship, and Deforestation as well as other environmental sustainability topics in general. IFF's combined company board has had changes since IFF's 2021 merger with DuPont N&B. IFF plans to increase the new board members' competence within sustainability to ensure it continues to be a priority for the company. This will be done through online, external/internal forums and memberships, as well as conversations and training between select board members and our VP of Sustainability and EHS.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

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

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	Quarterly	The CEO is responsible for overseeing the global sustainability department and approving forest-related policies at IFF. As an example of our management's commitment to the Palm Oil policy, the VP of Global Sustainability and EHS and Chief Sustainability Office report quarterly to the CEO and executive committee on progress of forest related activities for the entire company including new acquisitions, progress on the RSPO-certified volumes and on traceability levels. The CEO reports on the progress of these forest-related activities quarterly to the board of directors, updating them on our progress toward 100% responsibly sourced palm oil. The other positions listed in this response and our organization monitor forest-related issues through engagement with the World Business Council for Sustainable Development. In 2021, our Chairman and CEO, VP of Global Sustainability, and CSO each participate in WBCSD. Our Chairman and CEO was elected to the EC. Our engagement with the WBCSD, which holds forums and forest solution groups that provide information and trends on forest-related issues, is an opportunity to work with influential leaders to monitor these issues and make positive, lasting changes in society. Additionally, these positions also attend other forums, like CDP events, to stay abreast of changes on key forests-related issues.
Chief Operating Officer (COO)	Both assessing and managing forests-related risks and opportunities	Annually	The Executive Vice President (EVP) Global Operations Officer is the highest level Executive responsible for oversight of operations globally (note IFF does not have the title of COO). In 2021, this role reported directly to the Chairman and CEO. This position is responsible for global procurement and forest-related risks and opportunities in our operations. He manages these issues by overseeing the Responsible Sourcing program, which includes sourcing Palm Oil responsibly and is a part of the Sustainable Business Council (SBC). This position also enables the approval of budgets approved for Sustainability programs for own operations and supply chain partners, including the community programs budget. For example, in 2020, approval and funding was provided to launch the program Vetiver Forward with our partners. 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, sustainable agricultural practices, technical services, and business training.
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Annually	The CSO is a key leader of the Sustainable Business Council (SBC) which reviews targets and metrics quarterly. The SBC consists of cross-functional committees (Responsible Sourcing, Eco-Effectiveness, Corporate Sustainability and Product Design) which are in turn led by the appropriate Executive Committee (EC) member and supported by a member of the Global Sustainability team. The CSO has responsibility for forest-related issues because each of these committees drives sustainability throughout that function, raises potential issues and provides regular updates to the SBC on progress.
Risk committee	Both assessing and managing forests-related risks and opportunities	Half-yearly	Global Risk Committee is a management risk committee made up of key members of the Company's management to integrate global risk activities (including forests-related issues) and to ensure appropriate prioritization of resources and alignment across the Company. The Global Risk Committee is co-chaired by our CFO and EVP General Counsel and Corporate Secretary. The Global Risk Committee meets approximately six times per year to discuss critical risks, critique mitigation plans and review the gap analyses. The Global Risk Committee has responsibility over forests-related issues because ESG risks are also included in this program based on input from our Global Sustainability Team.
Corporate responsibility committee	Both assessing and managing forests-related risks and opportunities	Quarterly	This committee continued is part of our Sustainable Business Council (SBC) and is led by our VP of Procurement and VP of Sustainability and EHS. It comprises senior management from our Procurement, Sustainability, Regulatory and Quality functions, among others, as well as leadership from IFF-LMR Naturals, our natural ingredients division. In 2019, senior management from Commercial teams also joined the Committee to integrate forest-related risks and opportunities into commercial decision-making. In 2020, the committee meetings were held quarterly and virtually. A key decision that the RSC approved in 2020 was for the purchase of credits due to anticipated challenges in the shortage of certified palm supply and supply chain disruptions caused by the global pandemic.
Sustainability committee	Both assessing and managing forests-related risks and opportunities	Quarterly	The Innovation and Sustainability Committee is responsible for reviewing the Company's policies, programs and practices on sustainability and corporate responsibility and assess new opportunities that would support the Company's sustainability and corporate responsibility targets and goals. including those related to environmental stewardship, operational eco-efficiency, climate and water risk strategy, and risks associated with responsible sourcing. This committee also assists the Board in overseeing the Company's overall strategic direction as related to new innovative business concepts, potential integrated solutions, sustainability and research and development ("R&D"). In 2021, the committee approved our 'Do More Good' Plan, our ESG road map that promotes regenerative ecosystems and achieving zero deforestation for strategic raw material supply chains by 2030, beginning with palm, soy and wood.

F4.3

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

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	The Executive Vice President (EVP) of Operations is the highest level executive responsible for oversight of operations globally (note IFF does not have the title of COO). In 2021, this role reported directly to the Chairman and CEO. The EVP of Operations, who is ultimately responsible for our responsible sourcing initiatives, has performance-based objectives that are aligned with organizational sourcing goals and targets, including a goal to have 100% of the palm oil used in our products be certified by the Roundtable on Sustainable Palm Oil by 2025. The threshold of success for each indicator is based on whether there has been improvement from the previous year and progress towards target. This is measured via our engagement with suppliers certified through RSPO as well as our responsible sourcing program. Our organizational performance and the EVP of Operations' performance-based objectives related to these goals are linked to monetary incentives via an annual assessment during performance reviews and salary determination. The level of incentive varies based on performance during the previous year.

F4.3a

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

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Operating Officer (COO)	Achievement of commitments and targets Supply chain engagement	The Executive Vice President (EVP) of Operations is the highest level Executive responsible for oversight of operations globally (note IFF does not have the title of COO). In 2021, this role reported directly to the Chairman and CEO. The EVP of Operations, who is ultimately responsible for our responsible sourcing initiatives, has performance-based objectives that are aligned with organizational sourcing goals and targets, including a goal to have 100% of the palm oil used in our products be certified by the Roundtable on Sustainable Palm Oil by 2025. The threshold of success for each indicator is based on whether there has been improvement from the previous year and progress towards target. This is measured via our engagement with suppliers certified through RSPO as well as our responsible sourcing program. Our organizational performance and the EVP of Operations' performance-based objectives related to these goals are linked to monetary incentives via an annual assessment during performance reviews and salary determination. The level of incentive varies based on performance during the previous year.
Non-monetary reward	Other, please specify (All employees)	Achievement of commitments and targets	Employees are internally recognized locally and corporately for responsible sourcing initiatives on the company intranet's Top Story, which recognizes employees for exemplary performance. Selection of initiatives to Top Story is measured and determined by a small committee that reviews nominated submissions from employees. The committee performs a review based on indicators including performance and progress against publicly committed goals as well as importance to IFF. The threshold of success for recognition on Top Story is selection of the story by the review committee.

F4.4

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

Yes (you may attach the report – this is optional)
 IFF Form 10-K 28 Feb 2022.pdf

F4.5

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

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

F4.5a

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

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to best management practices for	Our Palm Oil Policy outlines seven specific commitments, including a goal to have 100% of the palm oil used in our products be certified according to the Roundtable for Sustainable Palm Oil (RSPO) by 2025. The policy was first launched in 2013 with a revised version published in 2015 and a second revised version in 2021. IFF carries out an internal review of this policy annually and publishes a new version each year to continuously align the policy with our progress on goals and initiatives. We use targets and milestones as mechanisms to implement this policy. The commitments and policy elements selected in the "Content" column, including commitments beyond regulatory compliance and to protect rights and livelihoods of local communities, are included in the policy because they support our broader responsible sourcing efforts. Our Palm Oil Policy also commits to purchasing palm oil products from suppliers who also have public commitments to no deforestation and no development in high carbon stock areas, as well as peat lands, which further strengthens our overall commitment to eliminate such practices throughout our value chain. The policy informs our decision making around responsible sourcing of 100% of palm oil, palm kernel oil and derivatives, thus covering all biomes and ecoregions, which has the direct business benefit of reducing risk in the supply chain. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. IFF re-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. On the topic of deforestation and biodiversity, 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.

Scope	Content	Please explain
	Commitment to take action beyond own supply chain to tackle environmental issues Commitment to resolving both social and environmental issues in own operations and supply chain Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound milestones and targets Description of forests-related performance standards for direct operations	

2021-sustainable-palm-oil-policy-signed.pdf

F4.5b

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

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p>	<p>Our Palm Oil Policy outlines specific commitments, including a goal to have 100% of the palm oil used in our products be certified according to the Roundtable for Sustainable Palm Oil (RSPO) by 2025. The policy was first launched in 2013 with a revised version published in 2015 and a second revised version in 2021. IFF undergoes an internal review of this policy annually and publishes a new version when changes are made. We use targets and milestones as mechanisms to implement this policy. The commitments and policy elements selected in the "Content" column, including commitments beyond regulatory compliance and to protect rights and livelihoods of local communities, are included in the policy because they support our broader responsible sourcing efforts. Our Palm Oil Policy also commits to purchasing palm oil products from suppliers who also have public commitments to no deforestation and no development in high carbon stock areas, as well as peat lands, which further strengthens our overall commitment to eliminate such practices throughout our value chain. The policy informs our decision making around responsible sourcing of 100% of palm oil, palm kernel oil and derivatives, thus covering all biomes and ecoregions, which has the direct business benefit of reducing risk in the supply chain. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. IFF re-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. On the topic of deforestation and biodiversity, 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. The policy is reviewed every year and updated based on a review of performance and progress.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content (timebound commitments and targets) Description of forests-related performance standards for direct operations	Please explain
			Description of forests-related performance standards for direct operations Description of forests-related performance standards for procurement	
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

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

Yes

IFF-Responsible-Sourcing-Policy-2021_0.pdf

F4.6a

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

Other, please specify (Roundtable on Sustainable Palm Oil (RSPO))

F4.6b

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

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Adoption of the UN International Labour Organization principles

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2013

Commitment target date

2020

Please explain

In November 2021, we updated and published our Responsible Sourcing Policy, first launched in 2020. This Policy outlines IFF's expectations for the responsible sourcing of raw materials, including the requirement to ensure that natural raw materials and naturally derived ingredients (not limited to palm oil) are not linked to deforestation, conversion of peat lands or high conservation-value areas, or exploitation of indigenous people, workers and local communities. We currently have more than 30 facilities that are RSPO certified. Certification ensures our environmental criteria are met and includes social criteria to ensure fair payment and safe working conditions for workers and consultation with local communities over the use of their land, including the adoption of the UN International Labour Organization principles and securing FPIC. We work with suppliers to ensure that our RSPO commitment is fully implemented by 2025 by procuring palm oil products that meet the RSPO requirements and IFF policies. In 2021, we continued to expanded engagements with local communities by including smallholders in our supplier diversity program and community projects. Our work in Indonesia is one example of this effort to deliver on our public commitments in 2021. IFF predominantly sources patchouli oil from Indonesia, where deforestation is a significant supply chain challenge. In 2021, we continued our shared value program to empower local and indigenous 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: 85,000 trees – comprising 19 distinct species have been planted by farmers since 2019, restoring approximately 2,000 hectares. Farmers in 39 participating villages were trained in 2021 on agroforestry practices. Agroforestry models shared with the more than 500 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 In 2021, we also kicked off a training for three groups of women in the community on home gardening – something that is already a part of many women's daily tasks. The training focused on three main topics: seedling preparation, planting and maintenance, and harvesting – concepts that can also be applied to patchouli farming production. The program was well received by participants, and we will look to further scale this up in the future to reach more women and families.

F5. Business strategy

F5.1

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

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	Forest-related issues are integrated into the long-term business objectives laid out in IFF's 'Do More Good Plan' via our commitment to responsible sourcing and embracing people and communities. In 2021, we reviewed and republished our Responsible Sourcing Policy, first launched in 2020. This Policy outlines IFF's expectations with respect to the responsible sourcing of raw materials, including the requirement to ensure that natural raw materials and naturally derived ingredients are not linked to deforestation, conversion of peat lands or high conservation-value areas, or exploitation of indigenous people, workers and local communities. Our responsible sourcing strategy is driven by long-term targets. We selected 11-15 year horizon based on this strategy and subsequent goals. For example, we have initiatives to support reforestation with several of our ingredients, including a goal to have 100 percent of the palm oil used in our products to be Roundtable on Sustainable Palm Oil (RSPO) certified by 2025. In our 'Do More Good' plan, IFF committed to accelerating responsible sourcing practices by promoting regenerative ecosystems and achieving zero deforestation for strategic raw material supply chains by 2030, beginning with palm. In 2021, Responsible Sourcing Committee (RSC) meetings were held quarterly covering a range of topics and decisions including progress against targets and goals, worldwide community and biodiversity programs and strategic financial planning for 2021 and beyond. A key decision that the RSC approved in 2021 was for the purchase of credits due to anticipated challenges in the shortage of certified palm supply and supply chain disruptions caused by the global pandemic. Another example of how we integrate forest-related issues into our long-term business objectives and financial planning is our work with Vetiver farmers in Haiti, funded by the RSC Community Fund. Since 2020, we partner with an 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.
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Our strategy for our long-term objectives focuses on our approach to responsible sourcing. Responsible sourcing at IFF is grounded in the policies, practices, and procedures we employ to sustainably procure the goods or services that serve as inputs to our products. We seek to do this in ways that reduce our impact to the environment, including biodiversity impacts and land-use considerations. We recognize that our footprint extends beyond our own operational control and that we must influence our entire value chain to make a positive impact. We are also committed to supporting the health, wellbeing, and financial security of the workers and grower communities in our supply chain through our global shared value programs. Toward this end, we engage closely with our suppliers by monitoring and supporting their continuous improvement in ESG performance; aligning their practices with our own values and strategy; and promoting supplier diversity. Our supply chain is broad and complex, and our portfolio has only expanded further following our merger with N&B. As of 2021, we purchased approximately 28,500 different raw materials sourced from an extensive global network of suppliers. In 2021, we again worked to maintain our critical role in the global consumer goods supply chain, despite the lingering and compounding effects of a global pandemic stretching into its second year. 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. For example, to support the implementation of sustainable palm oil practices in Latin America, we participate in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in the region.
Financial planning	Yes, forests-related issues are integrated	11-15	Forest-related issues are integrated into IFF's financial planning via our commitment to responsible sourcing and embracing people and communities. In 2021, we reviewed and republished our Responsible Sourcing Policy, first launched in 2020. This Policy outlines IFF's expectations with respect to the responsible sourcing of raw materials, including the requirement to ensure that natural raw materials and naturally derived ingredients are not linked to deforestation, conversion of peat lands or high conservation-value areas, or exploitation of indigenous people, workers and local communities. Our responsible sourcing strategy is driven by long-term targets. We selected 11-15 year horizon based on this strategy and subsequent goals. For example, we have initiatives to support reforestation with several of our ingredients, including a goal to have 100 percent of the palm oil used in our products to be Roundtable on Sustainable Palm Oil (RSPO) certified by 2025. In 2021, Responsible Sourcing Committee (RSC) meetings were held quarterly and virtually covering a range of topics and decisions, including progress against targets and goals, worldwide community and biodiversity programs and strategic financial planning for 2021 and beyond. A key decision that the RSC approved in 2021 was for the purchase of credits due to anticipated challenges in the shortage of certified palm supply and supply chain disruptions caused by the global pandemic.

F6. Implementation

F6.1

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

Yes

F6.1a

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

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Engagement with direct suppliers

Description of target

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

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2013

Target year

2021

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and encourage RSPO membership. In 2013 we developed and published our position on palm oil sourcing, and we published a revised palm oil policy in 2015. In 2021 we refreshed this policy and set a goal to source 100% RSPO certified PO/PKO by 2025. This Policy outlines IFF's expectations with respect to the responsible sourcing of raw materials, including the requirement to ensure that natural raw materials and naturally derived ingredients are not linked to deforestation, conversion of peat lands or high conservation-value areas, or exploitation of indigenous people, workers and local communities. To achieve this target, we used various communication channels to communicate these policy updates to our suppliers, (i.e., workshops, our website, our ESG report, the 'Do More Good' Plan, and RSPO membership). We consider the availability of certified palm sources when determining new or continuing businesses with our suppliers. In March 2021 we also held an internal workshop with the primary objective of ensuring that we are on track to achieve our 2025 goal. In 2020, we also reviewed our supplier base to assess the status and considered the feasibility of RSPO certification from the suppliers as part of our strategic planning. The local RSPO representative (North America) also joined the IFF team during the one-day workshop to discuss challenges and possible solutions to address limited availability of certified palm volumes and support to smallholder communities.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

100% of palm materials (by volume) are traceable beyond IFF's Tier 1 supply chain, with visibility of third-party verification (RSPO certification) of commitment towards no deforestation.

Linked commitment

Zero net/gross deforestation

Traceability point

Mill

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2022

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

82

Please explain

In 2021, IFF conducted a palm oil supply chain mapping study with our partner Proforest. The study covered the top 96.7% of 2021 palm oil volumes. Proforest, with support and on behalf of IFF, contacted the suppliers to collect data and investigate their supply chains. As part of our RSPO goal, IFF only sources RSPO from our certified suppliers. In 2022, we will continue to utilize insights from our recent palm traceability study. 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.

Target reference number

Target 3

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

Source from deforestation and conversion free palm oil supply chains by 2025.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Identity Preserved
 RSPO Segregated
 RSPO Mass Balance
 RSPO Book and Claim

Start year

2021

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

60

Please explain

The target was chosen based on customer requirements and IFF's commitment to responsible sourcing. For example, IFF's top customers require RSPO certification for palm oil included in the products we supply them. Additionally, our sustainability report's section on responsible sourcing includes a commitment to working with partners to source palm oil responsibly. We acknowledge that although palm oil is used minimally in our products, we recognize we have an important role to play in ensuring that the palm oil in our supply chain comes from responsible sources. This is why we set the commitment to source 100 percent RSPO-certified palm oil, palm kernel oil and their derivatives by 2025, which is included in our palm oil policy. Our ability to achieve this commitment depends heavily on the changing practices of the palm industry and the future market availability of the palm derivatives used in our products. IFF has worked with suppliers to identify certified sources and convert our consumption as the market allows. We review our supplier base annually to assess the status and considered the feasibility of RSPO certification from the suppliers as part of our strategic planning. In March 2021 we held an internal workshop with the primary objective of ensuring that we are on track to achieve our 2025 goal. A key decision that the Responsible Sourcing Committee (RSC) approved in 2021 was for the purchase of credits due to anticipated challenges in the shortage of certified palm supply and supply chain disruptions caused by the global pandemic.

F6.2

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

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	IFF has implemented a traceability process as part of our Responsible Sourcing Risk Assessment methodology. Country of origin information is requested during the raw materials approval process via a supplier questionnaire. At this point IFF collects all necessary supplier documents to assess quality. This includes RSPO certificate data to confirm raw material certification. In 2021, we hired a third-party company, Proforest, to map the suppliers representing the top 96.7% of our total 2021 volume to mills. We could go beyond the mills for part of the volume mapped, reaching out to the plantations. The remaining 3.3% represent a very long-tail volume and could not be mapped due to operational limitations. Therefore, at this moment, the company decided to prioritize the top 96.7% volume as what is material to our strategy development. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers. In 2021, we continued to utilize insights from our recent palm traceability study. 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.	Not applicable	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

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

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Palm oil	Mill	96.7
Palm oil	Country	96.7

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes	100
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

30

Form of commodity

Crude palm oil (CPO)

Palm oil derivatives

Volume of production/ consumption certified

630000

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Upon the merger with DuPont N&B in in early 2021 the year end 2020 volumes for IFF's and Dupont N&B's legacies, we found that, 51% of the combined palm-derivatives volume in the year were physically certified RSPO, the remaining 49% was covered with RSPO credits, comprising 100% of the total volume covered with RSPO certification or RSPO credits. In 2021, the percentage of physical certified material increased by 9 percentage points. As a result, 60% of the combined palm-derivatives volume was physically certified RSPO, and RSPO credits covered the remaining 40%. We also bought an additional amount of RSPO credits equivalent to approximately 6% of the total palm-based raw materials volume, comprising a total coverage of almost 106% of our volume. These credits include independent smallholder credits that IFF purchased and redeemed in 2021 to support the independent smallholder community. IFF plans to source 100% physical certified RSPO palm oil, palm kernel oil, and their derivatives by 2025 globally. Our ability to achieve this commitment depends heavily on the changing practices of the palm industry and the future market availability of the palm derivatives used in our products.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

30

Form of commodity

Crude palm kernel oil (CPKO)

Palm kernel oil derivatives

Volume of production/ consumption certified

4638

Metric for volume

Liters

Is this certified by more than one scheme?

No

Please explain

Upon the merger with DuPont N&B in in early 2021 the year end 2020 volumes for IFF's and Dupont N&B's legacies, we found that, 51% of the combined palm-derivatives volume in the year were physically certified RSPO, and the remaining 49% were covered with RSPO credits, comprising 100% of the total volume covered with RSPO

certification or RSPO credits. In 2021, the percentage of physical certified material increased by 9 percentage points. As a result, 60% of the combined palm-derivatives volume was physically certified RSPO, and RSPO credits covered the remaining 40%. We also bought an additional amount of RSPO credits equivalent to approximately 6% of the total palm-based raw materials volume, comprising a total coverage of almost 106% of our volume. These credits include independent smallholder credits that IFF purchased and redeemed in 2021 to support the independent smallholder community. IFF plans to source 100% physical certified RSPO palm oil, palm kernel oil, and their derivatives by 2025 globally. Our ability to achieve this commitment depends heavily on the changing practices of the palm industry and the future market availability of the palm derivatives used in our products.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

40

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

52316

Metric for volume

Other, please specify (Credits)

Is this certified by more than one scheme?

No

Please explain

Upon the merger with DuPont N&B in in early 2021 the year end 2020 volumes for IFF's and Dupont N&B's legacies, we found that, 51% of the combined palm-derivatives volume in the year were physically certified RSPO, and the remaining 49% were covered with RSPO credits, comprising 100% of the total volume covered with RSPO certification or RSPO credits. In 2021, the percentage of physical certified material increased by 9 percentage points. As a result, 60% of the combined palm-derivatives volume was physically certified RSPO, and RSPO credits covered the remaining 40%. We also bought an additional amount of RSPO credits equivalent to approximately 6% of the total palm-based raw materials volume, comprising a total coverage of almost 106% of our volume. These credits include independent smallholder credits that IFF purchased and redeemed in 2021 to support the independent smallholder community. IFF plans to source 100% physical certified RSPO palm oil, palm kernel oil, and their derivatives by 2025 globally. Our ability to achieve this commitment depends heavily on the changing practices of the palm industry and the future market availability of the palm derivatives used in our products.

F6.4

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

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

F6.4a

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

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

Our control system approach leverages third-party verification of the RSPO certification program to ensure compliance against our commitments and RSPO target, and traceability mapping on an annual basis. We partnered with Transitions in 2019 and with Proforest in 2020 and 2021 to conduct a palm oil supply chain mapping study. In 2021, this study covered the top 96.7% of 2021 palm oil volumes. Proforest, in partnership with IFF, contacted the suppliers to collect data and investigate their supply chains. The 2021 traceability study identified over 1,600 mills primarily in 20 countries. The other insights from this study not only helped to raise awareness on the limited availability of certified supply globally, but also helped us with the identification of our next steps for expanding responsible supplier engagement and purchasing practices. In this way, we aim to further increase transparency and encourage RSPO certification.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

51-60%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

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

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

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

Please explain

We proactively communicate our palm commitment (Palm Oil Policy) and RSPO membership to our suppliers to raise awareness and encourage RSPO membership. We annually review and consider the availability of certified supply when determining new or continuing businesses with our suppliers. For example, in 2021 we reviewed our supplier base to assess status and consider the feasibility of RSPO certification from the suppliers as part of our strategic planning. Selected new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis. These auditing efforts are complemented by our vendor quality risk management program, which tracks vendor performance to help determine audit frequency. Our response to non-compliance will vary on the severity and overall business relationship with the supplier. We strive to work with our suppliers towards continuous improvement. We assess this by looking at several factors such as maturity of supplier's own sustainability or sourcing program, willingness to implement improvements and the persistence of the non-compliance etc. These factors will determine whether we retain or suspend the supplier.

F6.6

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

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

F6.6a

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

Palm oil

Procedure to ensure legal compliance

Procedure followed to ensure legal compliance IFF has a responsible sourcing program to ensure legal compliance to applicable laws that utilizes our legal and regulatory teams, internal and external assessment tools, and industry and local partners. In 2013 we developed and published our position on palm oil sourcing, and we published a revised palm oil policy in 2015 and in 2021, setting a goal to source 100% of the palm derivatives volume from deforestation and conversion free palm oil supply chains by 2025. We also implemented our first Responsible Sourcing Policy in 2020, which outlines our expectations for responsible sourcing of raw materials. We require all natural ingredients to not be linked to deforestation, conversion of peat lands or high-value conservation areas, or exploitation of indigenous people, workers and local communities. Our Vendor Code of Conduct also requires compliance with all applicable laws, regulations, and industry standards as a basic requirement to maintain a business relationship with IFF. Methods and/or tools used to assure legal compliance Our Global Regulatory team actively monitors applicable, forest-related regulations that have the potential to impact our business. Our internal methods for identifying and assessing forests-related risks are a part of our company-wide enterprise risk management program, which are verified by an external consultancy. Additionally, we leverage assessment tools and programs to inform us of supply chain compliance and sustainability performance such as the RSPO certification program. IFF also ensures compliance with national laws and regulations specific to biodiversity and access and benefit sharing regulations. We are also a member of the Union for Ethical BioTrade, and further review our palm suppliers against our Palm Oil Policy for both policy alignment and RSPO requirements. Both internal and external assessments of our policies and programs show that our business practices are aligned with industry best practices, which are more than sufficient to meet regulatory requirements, and our continual revision of our process ensures we will stay ahead of potential regulation in this space.

Country/Area of origin

- Brazil
- Cambodia
- Colombia
- Côte d'Ivoire
- Ecuador
- Gabon
- Honduras
- Indonesia
- Malaysia
- Nicaragua
- Panama
- Peru
- Philippines
- Thailand

Law and/or mandatory standard(s)

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

Comment

In line with our RSPO commitment to source 100% certified palm by 2025, we conduct due diligence by reviewing our palm supply chain with our suppliers on an annual basis to determine availability of certified palm and plans for future certifications (according to RSPO standard, which includes legal compliance requirements). As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers. The engagement helps us identify where certified sources are available and where there could be opportunities to engage with suppliers in key areas to promote sustainability and increase participation in certification efforts. We leverage RSPO membership and our existing supply chain network for additional due diligence insights and guidance as guidelines evolve. Furthermore, we also leverage external consultancy partners, such as RainForest Alliance and Transitions to enhance our due diligence process and verify the effectiveness of our legal compliance procedure. This process of third-party engagement has been effective in validating our approach. In 2022, we continued to utilize insights from our recent palm traceability study. These and other insights from this study not only helped to raise awareness on the limited availability of certified supply globally, but also helped us with the identification of our next steps for expanding responsible supplier engagement and purchasing practices. In this way, we aim to further increase transparency and encourage RSPO certification.

F6.7

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

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

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects Prioritizing support for smallholders in high-risk deforestation regions Paying higher prices linked to best agricultural practices Financial incentives for certified products Purchase guarantee linked to best agricultural practices Long term contracts linked to forest related commitments	7534	Our main strategy of engagement is to proactively communicate our Palm Oil Policy and RSPO commitments to our suppliers to raise awareness and to encourage RSPO membership. We work with local producers around the world. With respect to evaluating specific natural 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. In 2021 we participated in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in Latin America. This program offers the opportunity for donors (or 'Friends of sustainable palm oil from Latin America) to support the development of smallholder farmers into sustainable entrepreneurs while strengthening the reputation of palm oil from Latin America by meeting stringent sustainability criteria. With an emphasis on training local oil palm growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and allow the fast-growing palm oil industry to transform into a sustainable agri-business. Another example is our work in the vanilla supply chain in Madagascar. In 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.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

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

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working with direct suppliers	Supply chain mapping Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Paying higher prices linked to best agricultural practices Financial incentives for certified products Purchase guarantee linked to best agricultural practices Long-term contracts linked to forest related commitments Other, please specify (Encouraging work with multi-stakeholder groups)	91-99%	Our main strategy of engagement is to proactively communicate our Palm Oil Policy and RSPO commitments to our suppliers to raise awareness and to encourage RSPO membership. In 2020, we launched and communicated the first Responsible Sourcing Policy to more than 1,800 of our direct suppliers. In 2021 we refreshed and published this policy again. This Policy outlines IFF's expectations with respect to the responsible sourcing of raw materials, including palm oil. It aligns with IFF's global procurement commitments and global sustainability goals while promoting engagement and standardized communication with our suppliers. We have around 210 suppliers of palm-based materials. We review our supplier base annually to assess status and consider the feasibility of RSPO certification from the suppliers as part of our strategic planning. We also worked with RSPO to secure smallholder credits (book and claim). In 2021 IFF bought 379 credits from smallholders. IFF has outlined procurement standards for our direct suppliers through our Responsible Sourcing program. We require suppliers to be assessed through EcoVadis or Sedex, two supply chain platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Through these initiatives, we committed to conduct assessments and audits of our suppliers annually and the scope cover issues such as labor and human rights, working conditions and the environment, which align with IFF's Vendor Code of Conduct.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

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

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Offering on-site training and technical assistance	IFF works beyond our first tier suppliers through our leadership in the Roundtable on Sustainable Palm Oil (RSPO) – a global, multi-stakeholder initiative to develop and implement global standards for sustainable palm oil. Through our work with RSPO we seek to ensure that our palm oil supply chain does not contribute to deforestation, peat clearance or human rights abuses. We also 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. Our main strategy of engagement is to proactively communicate our Palm Oil Policy and RSPO commitments to our suppliers to raise awareness and to encourage RSPO membership. In 2020, we launched and communicated the first Responsible Sourcing Policy to more than 1,800 of our direct suppliers. In 2021, we refreshed our Sustainable Palm Oil Policy with a commitment to source from deforestation- and conversion-free palm oil supply chains by 2025 and continue to support RSPO as a mechanism to mainstream sustainable palm oil. We will source exclusively from RSPO members and source 100% physical certified RSPO palm oil, palm kernel oil and their derivatives by 2025 globally. We will also increase RSPO Supply Chain certification for our manufacturing facilities, enabling us to supply RSPO certified ingredients to our customers We also have procurements standards for suppliers through our Responsible Sourcing program. We require suppliers to be assessed through EcoVadis or Sedex, two supply chain platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Through our work with farmers' association, made up of more than 3,000 farmers in three cooperatives, approximately 25% of whom are female, we engage with our indirect suppliers. For example, in Madagascar, 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.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/jurisdictional approaches	<Not Applicable>	<Not Applicable>

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	Opportunity for smallholder inclusion Opportunity for increased human well-being in area Opportunity to implement Nature-based Solutions Opportunity to protect natural ecosystems Opportunity to restore natural ecosystems Risk of deforestation/conversion Risk of labor rights issues Supply of commodities strategically important	These selected criteria for prioritizing landscapes/jurisdictions for engagement are in line with of our Sustainable Palm Oil Policy, publicly available in our website.

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Country/Area

Indonesia

Name of jurisdiction or landscape area

Sungai Linau

Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?

The landscape is defined by administrative boundaries, but the approach does not have active government involvement

Brief description of landscape/ jurisdictional approach

Sungai Linau, Indonesia, is a village of approximately 14,000 hectares, two thirds of the land is peat swamp forest, and the remaining third is agricultural land, mostly used for palm production. To help protect this community, the Sungai Linau Landscape Conservation and Livelihoods Program (SLP) established a collaboration between the public and private sector to be coordinated by Proforest and Daemeter.

Forest risk commodities relevant to this landscape/jurisdictional approach

Palm oil

Type of engagement

Funder: Provides full or partial financial support

Description of engagement

IFF is proud to be among a coalition of other companies, along with grant funding from the UK government, to support the Sungai Linau Project (SLP) in developing community-based land use, strengthening village members' livelihoods, protecting high conservation value and high carbon stock forest, and reducing GHG emissions through forest and peat protection. After successfully completing a "Phase 1" social and environmental assessment and land use plan, the SLP progressed on Phase 2 activities during 2021, including a reforestation and agroforestry trial, as well as a human rights and economic impact assessment and monitoring program. The initiative supports the livelihoods of up to 1,000 people, including 260 smallholder farmers. Looking ahead, we aim to further scale the program to also support neighboring villages and expand GHG emissions reduction through forest protection, peat rewetting, water management, and fire patrols.

Goals supported by engagement

Carbon removals through restoration
Carbon offsetting
Reduced emissions from land use change and/or agricultural production
Decreased ecosystem degradation rate
Avoided deforestation/conversion of other natural ecosystems
Forest fires monitored and prevented
Habitat connectivity restored/improved
Increased protected areas
Landscape conservation
Landscape restoration
Systems in place to protect local community rights
Systems in place to protect workers' rights
Increased rate of employment in rural economy
Implementation of livelihood activities/practices that reduce pressure on forests
Protection of population potentially impacted by production
Greater smallholder inclusion
High producer engagement within landscape/jurisdiction
Improved business models that enable inclusion
Improved capacity for community engagement in multi-stakeholder processes

Company actions supporting approach

Provide financial support to fund activities to halt systemic violations of workers' rights

Implementation partner(s)

Proforest and Daemeter

Engagement start year

2021

Engagement end year

Please specify (2023)

Total investment over the project period (currency)

114400

Details of your investment

We are investing a total amount of approximately 114,400,00 dollars to be paid along 3 years.

Type of assessment framework

Specific initiative defined framework

Is progress monitored and publicly reported on?

Yes, progress is monitored but not publicly reported on

State the achievements of your engagement so far, and how progress is monitored

This is a 3-year project started in 2021. The project is progressing according to the planning. After successfully completing a "Phase 1" social and environmental assessment and land use plan, the SLP progressed on Phase 2 activities during 2021, including a reforestation and agroforestry trial, as well as a human rights and economic impact assessment and monitoring program. The initiative supports the livelihoods of up to 1,000 people, including 260 smallholder farmers. Looking ahead, we aim to further scale the program to also support neighboring villages and expand GHG emissions reduction through forest protection, peat rewetting, water management, and fire patrols.

Country/Area

Honduras

Name of jurisdiction or landscape area

Honduras

Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?

The landscape is defined by administrative boundaries, but the approach does not have active government involvement

Brief description of landscape/ jurisdictional approach

To support the implementation of sustainable palm oil practices in Honduras and broader Latin America, we participate in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in the region.

Forest risk commodities relevant to this landscape/jurisdictional approach

Palm oil

Type of engagement

Funder: Provides full or partial financial support

Description of engagement

We support the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in Latin America. This program offers the opportunity for donors (or 'Friends of sustainable palm oil from Latin America) to support the development of smallholder farmers into sustainable entrepreneurs while strengthening the reputation of palm oil from Latin America by meeting stringent sustainability criteria. With an emphasis on training local oil palm growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and allow the fast-growing palm oil industry to transform into a sustainable agri-business. Another example is our work in the vanilla supply chain in Madagascar. In 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.

Goals supported by engagement

Carbon removals through restoration
 Carbon offsetting
 Reduced emissions from land use change and/or agricultural production
 Decreased ecosystem degradation rate
 Avoided deforestation/conversion of other natural ecosystems
 Forest fires monitored and prevented
 Simplified administrative requirements in place for smallholders to easier gain access to the market
 Local government policy development aligned with landscape goals
 Legalization of production
 Increased commodity traceability in landscape/jurisdiction
 Reliable landscape monitoring/data collection system
 Smallholders mapped in landscape/jurisdiction

Company actions supporting approach

Please select

Implementation partner(s)

Olenex and Wilmar

Engagement start year

2021

Engagement end year

Please specify (2022)

Total investment over the project period (currency)

10

Details of your investment

We are investing a total amount of approximately 10,000,00 dollars per year.

Type of assessment framework

Specific initiative defined framework

Is progress monitored and publicly reported on?

Yes, progress is monitored and publicly reported on

State the achievements of your engagement so far, and how progress is monitored

The first three-year project under MARIPOSA called WISSE (Wilmar Supports Sustainable Entrepreneurs) reached the end of its second year in 2021. Despite pandemic-related challenges, the four mills in the program and their independent smallholders fulfilled all planned activities, with 306 smallholders now certified under WISSE, representing 47% of the project's goal. A second palm oil sustainability collaboration program funded by the MARIPOSA initiative called WISSMA (Wilmar Supports Sustainable Management) was launched in 2021, spanning eight Latin American countries, involving six industry associations, and 54 suppliers. The program aims to build new partnerships, strengthen mill management, and facilitate a dialogue between suppliers and customers.

F6.11**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?****Forest risk commodity**

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

UN Global Compact
 Roundtable on Sustainable Palm Oil (RSPO)
 Other, please specify (NASPON; UEBT; TFS)

Please explain

Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is leading member of RSPO and we are committed to sourcing 100% certified palm oil by

2025. We also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. In 2020, we launched and communicated the first Responsible Sourcing Policy to more than 1,800 direct suppliers. In 2021 we refreshed and published this policy. 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. IFF is also a founding member of the North American Sustainable Palm Network (NASPON), an independent group of "associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America," with the goal of reaching 100% CSPO in the market. IFF renewed our membership to the North American Sustainable Palm Oil Network (NASPON) in 2020 and participated in quarterly meetings and other events to build momentum toward our mutual sustainable palm oil sourcing ambitions. From a more general sustainability standpoint, we are active members of several sustainability-focused organizations. We formally support the 10 Principles of the UN Global Compact, and our Chairman and CEO serves on the Executive Committee of the World Business Council for Sustainable Development. 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.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is a founding member of North American Sustainable Palm Network (NASPON), an independent group of "associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America," with the goal of reaching 100% CSPO in the market. IFF renewed our membership to the North American Sustainable Palm Oil Network (NASPON) in 2020 and participated in quarterly meetings and other events to build momentum toward our mutual sustainable palm oil sourcing ambitions. We also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. In 2020, we launched and communicated the first Responsible Sourcing Policy to more than 1,800 direct suppliers. In 2021 we refreshed and published this policy again. 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. IFF is also a member of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is a founding member of North American Sustainable Palm Network (NASPON), an independent group of "associations, civil society organizations, consumer goods manufacturers, food-service retailers, retailers, and palm oil traders and producers who are committed to increasing the use of certified sustainable palm oil and palm kernel oil in North America," with the goal of reaching 100% CSPO in the market. We currently have more than 20 facilities that meet the standards of RSPO Supply Chain Certification. In 2021, more than 30 sites had their RSPO licenses renewed. We also proactively communicate our palm commitment and RSPO membership to our suppliers to raise awareness and to encourage RSPO membership. Collaboration from all stakeholders in the global palm oil supply chain is critical to ensuring a sustainable supply of palm oil. In 2020, to further advance our ethical sourcing practices, LMR Naturals by IFF and Southern Cross Botanicals, a division of Lucas Meyer Cosmetics by IFF, became members of the Union for Ethical BioTrade (UEBT). The UEBT is an internationally recognized non-profit association made up of member companies in the natural ingredient supply chains for the food, cosmetics and natural pharmaceutical sectors. IFF is also a member of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves sustainability sourcing practices. TfS assessments and audits cover issues such as labor and human rights, working. In 2017, we began third-party TfS audits for selected suppliers. If noncompliance is identified during these audits, we will work with suppliers on corrective action plans and remediation. In 2020, approximately 90% of IFF's business-critical suppliers were assessed through EcoVadis or Sedex (compared to 75% in 2019). In 2018, IFF began assessing supplier risk by engaging suppliers through the CDP Supply Chain program. We continued to do so in 2020 and doubled the number of suppliers in the program. At the community level, we partner with local NGOs and partners including Heifer International (Vetiver Forward in Haiti) and Transitions (palm traceability study).

F6.12**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

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

Start year

2018

Target year

Other, please specify (2021-2022)

Project area to date (Hectares)

344.2

Project area in the target year (Hectares)

1800

Country/Area

Indonesia

Latitude

-3.9675

Longitude

122.594722

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Other, please specify (Social)

Please explain

In 2021, 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. In 2021 we plan to distribute about 30,000 to 35,000 trees to reach the objectives of 75,000 trees on the 3 years of the project.

Project reference

Project 2

Project type

Reforestation

Primary motivation

Voluntary

Description of project

Sustainable vanilla, SAVA region, Madagascar: Vanilla is a core ingredient both for flavours and fragrances. This precious spice is primarily cultivated in Madagascar, where social, environmental, quality and traceability challenges make the supply chain extremely fragile. Though one of the largest vanilla-exporting countries in the world, Madagascar is also one of the poorest. Vanilla cultivation, which requires pollination by hand, is a time-consuming and labor-intensive process for independent smallholder farmers. Due to its location and isolation, it has tremendous biodiversity, but this is being threatened by slash-and-burn agriculture, primarily for rice cultivation. For these reasons, IFF voluntary selected this project. The objective of this project is to create a long-term and stable supply of sustainable and high-quality vanilla with the current sourcing communities. There are 3 pillars of this project: 1) improve vanilla quality and productivity, 2) engagement communities and improve livelihoods, and 3) preserve ecosystems. The main activities to support the project objective are the following: • Develop a farmer organization to build a long-term relationship • Promote good agricultural practices & transformation practices to improve yields and limit the impacts on environment • Certify the project to increase the value added for farmers •

Support farmer communities through diverse social actions (health fund, rice banks, school & education etc.) • Diversify farmer revenues • Reforest the landscape with local communities This activity is managed by a local NGO using a specific model: creating pilot tree nurseries with local farmers to train new tree nurseries managers and supply tree seedlings to local communities. The objective is to self-sustain the supply of trees at the end of the project, which is quite important given the remote area where the project is.

Start year

2019

Target year

Other, please specify (2021-2022)

Project area to date (Hectares)

0

Project area in the target year (Hectares)

0

Country/Area

Madagascar

Latitude

-14.355225

Longitude

49.905119

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Other, please specify (Social)

Please explain

In 2020, we made progress on multiple pillars of this initiative. 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. 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. To support sustainable incomes for vanilla farmers, 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. 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, this year we grew interest and participation and safely distributed more than 3,500 seedlings to farmers to plant on their land. It is not possible to calculate the project area to date or target area yet as it depends on the density of plantation and the models selected by the farmers.

Project reference

Project 3

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

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.

Start year

2020

Target year

2023

Project area to date (Hectares)

0

Project area in the target year (Hectares)

1250

Country/Area

Haiti

Latitude

18.286833

Longitude

-73.726361

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Financial

Other, please specify (Social)

Please explain

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. The project, through 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; and conducting Personal Leadership Development training for all 3,000 farmers that are part of the program.

Project reference

Project 4

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

In 2021 we participated in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in Latin America. This program offers the opportunity for donors (or 'Friends of sustainable palm oil from Latin America) to support the development of smallholder farmers into sustainable entrepreneurs while strengthening the reputation of palm oil from Latin America by meeting stringent sustainability criteria. With an emphasis on training local oil palm growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and allow the fast-growing palm oil industry to transform into a sustainable agri-business. Another example is our work in the vanilla supply chain in Madagascar. In 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.

Start year

2021

Target year

2023

Project area to date (Hectares)**Project area in the target year (Hectares)****Country/Area**

Honduras

Latitude**Longitude****Monitoring frequency**

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Please explain

In 2021 we participated in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in Latin America. This program offers the opportunity for donors (or 'Friends of sustainable palm oil from Latin America) to support the development of smallholder farmers into sustainable entrepreneurs while strengthening the reputation of palm oil from Latin America by meeting stringent sustainability criteria. With an emphasis on training local oil palm growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and allow the fast-growing palm oil industry to transform into a sustainable agri-business. Another example is our work in the vanilla supply chain in Madagascar. In 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.

Project reference

Project 5

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

IFF is proud to be among a coalition of other companies, along with grant funding from the UK government, to support the Sungai Linau Project (SLP) in developing community-based land use, strengthening village members' livelihoods, protecting high conservation value and high carbon stock forest, and reducing GHG emissions through forest and peat protection. Sungai Linau, Indonesia, is a village of approximately 14,000 hectares, two thirds of the land is peat swamp forest, and the remaining third is agricultural land, mostly used for palm production. To help protect this community, the Sungai Linau Landscape Conservation and Livelihoods Programme (SLP) established a collaboration between the public and private sector to be coordinated by Proforest and Daemeter. After successfully completing a "Phase 1" social and environmental assessment and land use plan, the SLP progressed on Phase 2 activities during 2021, including a reforestation and agroforestry trial, as well as a human rights and economic impact assessment and monitoring program. The initiative supports the livelihoods of up to 1,000 people, including 260 smallholder farmers. Looking ahead, we aim to further scale the program to also support neighboring villages and expand GHG emissions reduction through forest protection, peat rewetting, water management, and fire patrols.

Start year

2020

Target year

2023

Project area to date (Hectares)

14000

Project area in the target year (Hectares)**Country/Area**

Indonesia

Latitude**Longitude****Monitoring frequency**

Annually

Measured outcomes to date

Biodiversity

Carbon sequestration

Please explain

IFF is proud to be among a coalition of other companies, along with grant funding from the UK government, to support the Sungai Linau Project (SLP) in developing community-based land use, strengthening village members' livelihoods, protecting high conservation value and high carbon stock forest, and reducing GHG emissions through forest and peat protection. Sungai Linau, Indonesia, is a village of approximately 14,000 hectares, two thirds of the land is peat swamp forest, and the remaining third is agricultural land, mostly used for palm production. To help protect this community, the Sungai Linau Landscape Conservation and Livelihoods Programme (SLP) established a collaboration between the public and private sector to be coordinated by Proforest and Daemeter. After successfully completing a "Phase 1" social and environmental assessment and land use plan, the SLP progressed on Phase 2 activities during 2021, including a reforestation and agroforestry trial, as well as a human rights and economic impact assessment and monitoring program. The initiative supports the livelihoods of up to 1,000 people, including 260 smallholder farmers. Looking ahead, we aim to further scale the program to also support neighboring villages and expand GHG emissions reduction through forest protection, peat rewetting, water management, and fire patrols.

F7. Verification

F7.1

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

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**Disclosure module**

F6. Implementation

Data points verified

RSPO certified palm oil, palm kernel oil and their derivatives through the Mass Balance supply chain model sourced in 2021 [% of total consumption] . The volume of heritage Frutarom corresponds to less than 1% of the total volume and was not included in this report.

Verification standard

ISAE 3000 (Revised) - ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements

Please explain

ERM Certification and Verification Services, Inc. was engaged by IFF to provide third-party verification to a limited level of assurance on the referenced metric for the consolidated 2021 data.

F8. Barriers and challenges

F8.1

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

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

IFF's supply chain is broad and complex. We purchase 28,500+ different raw materials sourced from an extensive network of suppliers. We have an integrated supply chain, from raw material sourcing through manufacturing, quality assurance, regulatory compliance and distribution, which permits us to provide our customers with consistent quality products on a timely and cost-effective basis. We use both natural and synthetic ingredients in our compounds. We engage with these suppliers to help ensure they operate responsibly. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards, including those concerning workplace safety and human rights. IFF explicitly supports internationally recognized human rights standards. With such a complex and large supply chain, IFF has limited leverage in influencing markets. We look to multi-stakeholder initiatives such as RSPO to influence the palm oil market. Public awareness continues to grow, and we see an increase demand from customers of certified sustainable products. That said, the demand for certified sustainable palm oil, particularly of some specialized materials, currently exceeds availability. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

Forest risk commodity

Palm oil

Coverage

Direct operations

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

IFF's supply chain is broad and complex. We purchase 28,500+ different raw materials sourced from an extensive network of suppliers. We have an integrated supply chain, from raw material sourcing through manufacturing, quality assurance, regulatory compliance and distribution, which permits us to provide our customers with consistent quality products on a timely and cost-effective basis. We use both natural and synthetic ingredients in our compounds. We engage with these suppliers to help ensure they operate responsibly. As outlined in the IFF Vendor Code of Conduct, we expect suppliers to conduct their businesses ethically and honestly and in compliance with all applicable laws, rules, regulations and industry standards, including those concerning workplace safety and human rights. IFF explicitly supports internationally recognized human rights standards. With such a complex and large supply chain, IFF has limited leverage in influencing markets. We look to multi-stakeholder initiatives such as RSPO to influence the palm oil market. Public awareness continues to grow and we see an increase demand from customers of certified sustainable products. That said, the demand for certified sustainable palm oil, particularly of some specialized materials, currently exceeds availability. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

F8.2

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

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. Approximately 90% of IFF legacy business critical suppliers in 2021 was with suppliers assessed through EcoVadis or Sedex (compared to 75% in 2019). Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater transparency

Comment

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. In 2021, approximately 90% of IFF legacy business-critical suppliers were assessed through EcoVadis or Sedex (compared to 75% in 2019). Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Other, please specify (Increased demand for certified products)

Comment

IFF has rigorous quality expectations for our suppliers. Our FSSC 22000 certified Vendor Management Program and auditors help ensure that our supply chain meets these expectations. Select new raw materials suppliers undergo initial audits of their operations to confirm that they meet IFF's quality requirements and standards, while existing suppliers are audited on an ongoing, periodic basis to improve transparency. Due to the complexity of our supply chain, data consistency and availability remains a challenge, especially when it involves smaller suppliers in developing regions. We attempt to improve transparency and data quality through our Vendor Management Program where we share best practices and technical advice with our suppliers to support them in making continuous improvements. We focus our supplier engagement efforts on certain key suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. We require that these suppliers be assessed through EcoVadis or Sedex (the Supplier Ethical Data Exchange), two supply chain information platforms that help us drive improvement in labor standards, health and safety, environmental management and ethical business conduct. In 2021, approximately 90% of IFF legacy business-critical suppliers were assessed through EcoVadis or Sedex (compared to 75% in 2019). Through these assessments and audits, suppliers understand their sustainability performance by identifying strengths and areas of opportunity. Despite overall increase in demand for certified palm oil, the market for certain palm oil fractions/derivatives is limited due to the complexity of the interconnected market. For example, even if there is strong demand for RSPO C8/C10 fractions, there needs to be demand for C12/C14 fractions also, for processors to run certified production.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

See attached the ERM CVS-Assurance Statement for IFF 2022 CDP Forests
ERM CVS-Assurance Statement for IFF 2022 CDP Forests.pdf

F17.1

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

	Job Title	Corresponding job category
Row 1	Global Operations Officer	Chief Operating Officer (COO)

SF. Supply chain module

SF0.1

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

	Annual revenue
Row 1	11656000000

SF1.1

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

Yes

SF1.1a

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

Requesting member

L'Oréal

Forest risk commodity

Palm oil

Form of commodity

Please select

Third-party certification scheme

Please select

Total volume of commodity sold to member

Metric

Metric tons

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

Please select

Comment

Requesting member

Estee Lauder Companies Inc.

Forest risk commodity

Palm oil

Form of commodity

Please select

Third-party certification scheme

Please select

Total volume of commodity sold to member

Metric

Metric tons

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

Please select

Comment

Requesting member

FIRMENICH SA

Forest risk commodity

Palm oil

Form of commodity

Please select

Third-party certification scheme

Please select

Total volume of commodity sold to member

Metric

Metric tons

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

Please select

Comment

Requesting member

Altria Group, Inc.

Forest risk commodity

Palm oil

Form of commodity

Please select

Third-party certification scheme

Please select

Total volume of commodity sold to member

Metric

Metric tons

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

Please select

Comment

Requesting member

Grupo Boticário

Forest risk commodity

Palm oil

Form of commodity

Please select

Third-party certification scheme

Please select

Total volume of commodity sold to member

Metric

Metric tons

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

Please select

Comment

SF2.1

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

SF2.2

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

Yes

SF2.2a

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

Requesting member

L'Oréal

Category of project

Certification

Type of project

Increase in coverage of commodity

Description of the project/initiative

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

Give an indication of the metric of success for the initiative

IFF plans to source 100% physical certified RSPO palm oil, palm kernel oil, and their derivatives by 2025 globally. Our ability to achieve this commitment depends heavily on the changing practices of the palm industry and the future market availability of the palm derivatives used in our products.

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

No

SF3.1

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

Palm oil

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

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

Please explain

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms