

GRI Index



Our Sustainability Report 2011



International Flavors & Fragrances Inc.

Contents

This Index accompanies IFF's 2011 Sustainability Report, which was prepared in accordance with the G3.1 guidelines of the Global Reporting Initiative (GRI), the respected global standard for such reporting. We have prepared a GRI Application Level B+ report with external assurance of the full report. This report has been reviewed and checked for completeness by the GRI. More information on the GRI framework can be found at www.globalreporting.org.

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

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

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Statement GRI Application Level Check

GRI hereby states that **International Flavors & Fragrances Inc.** has presented its report “Seeds of Growth” (2011) to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

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

Amsterdam, 31 July 2012

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

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



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

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

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 July 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Standard Disclosures Part I: Profile Disclosures

Key to Indicators: ■ Fully Reported ■ Partially Reported

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	p. 8, CEO letter
1.2	Description of key impacts, risks, and opportunities.	Fully	pp. 9-11, Our Stewardship Strategy; pp. 15 and 31, Our Products; pp. 35 and 47, Our People; pp. 51 and 59, Our Sources; pp. 63 and 79, Our Impact
2. Organizational Profile			
2.1	Name of the organization.	Fully	p. 6, Our Company
2.2	Primary brands, products, and/or services.	Fully	p. 6, Our Company; IFF 2011 Form 10-K, p. 4, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	Fully	p. 87, About this Report; IFF 2011 Form 10-K, pp. 3 and 146, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
2.4	Location of organization's headquarters.	Fully	p. 89
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	p. 6, Our Company; IFF 2011 Form 10-K, pp. 3, 5 and 7, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
2.6	Nature of ownership and legal form.	Fully	p. 6, Our Company
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Fully	p. 6, Our Company. IFF has 4,000 multinational and regional customers; our 25 largest customers accounted for 53 percent of our sales during 2011.
2.8	Scale of the reporting organization.	Fully	p. 6, Our Company. We are one of the top four companies in the global flavors and fragrances market, which comprise approximately 70% of the total market, estimated at \$17 billion. We create unique scent and taste experiences people love.
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Fully	p. 87, About this Report. During 2011, we opened a new state-of-the-art flavor and fragrance facility in Dubai, United Arab Emirates.

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
2.10	Awards received in the reporting period.	Fully	pp. 81 and 87
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/ calendar year) for information provided.	Fully	Calendar year 2011, unless otherwise noted
3.2	Date of most recent previous report (if any).	Fully	2011
3.3	Reporting cycle (annual, biennial, etc.).	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Comments or questions about IFF's sustainability initiatives can be directed to sustainability@iff.com.
3.5	Process for defining report content.	Fully	p. 87, About this Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	p. 87, About this Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	p. 87, About this Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	p. 87, About this Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	pp. 64 and 66, Our Impact; p. 87, About this Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	pp. 64 and 66, Our Impact; p. 87, About this Report

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Fully	p. 87, About this Report
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This is the GRI Index.
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	p. 87, About this Report

4. Governance, Commitments, and Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	IFF Website, Governance, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govhighlights
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	2012 Proxy Statement, p 12, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMwODI3fENoaWxkSUQ9LTF8VHlwZT0z&t=1
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	2012 Proxy Statement, pp. 8-9. Eleven of the 12 directors are independent. Four of the directors were women as of Dec. 31, 2011. http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMwODI3fENoaWxkSUQ9LTF8VHlwZT0z&t=1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	2012 Proxy Statement, p. 70, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMwODI3fENoaWxkSUQ9LTF8VHlwZT0z&t=1
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	2012 Proxy Statement, pp. 50-53, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMwODI3fENoaWxkSUQ9LTF8VHlwZT0z&t=1
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	IFF Executive Officer Code of Business Conduct and Ethics, p. 2, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	IFF 2012 Proxy Statement, pp. 12-13, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMwODI3fENoaWxkSUQ9LTF8VHlwZT0z&t=1

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Fully	p. 81, Governance; pp. 35-37, Our Employees; and pp. 51-53, Our Sources. IFF Codes of Conduct can be accessed at our website. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Fully	IFF Website, Corporate Governance Guidelines, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govGuidelines . The IFF Board of Directors has three committees: (1) Audit, (2) Compensation and (3) Nominating and Governance. In addition to overseeing and reviewing the financial reporting process and the integrity of the Corporation's financial statements and related financial information, the Audit Committee oversees and reviews the procedures for monitoring compliance with worldwide laws and regulations and with our Code of Business Conduct and Ethics. We also have an internal audit function that assists in evaluating and improving the effectiveness of our risk management, internal control, financial reporting and governance processes.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Fully	IFF Website: Committee Charters, Nominating and Governance Committee. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govCommittee&Committee=7214
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	We do not formally apply the precautionary principle. We have recently implemented a robust new risk evaluation tool to identify significant risks faced by our company. This tool involves surveying up to 300 employees to gauge their assessment of risks and then consolidating their responses into a set of key risks, such as the quality of or disruptions to our supply chain. The consolidated set is communicated to the Operating Committee and Board of Directors at least annually. Our Form 10-K includes a detailed description of our financial risks. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Fully	pp. 52-57, Our Sources; pp. 65 and 69, Our Impact. Also, we subscribe to the International Fragrance Association's Code of Practice.

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	We are a member of the following organizations and associations: American Chemical Society; American Cleaning Institute; Cosmetic Executive Women (serve on board); European Cosmetic Association; European Flavour and Fragrance Association; Fashion Group International; Flavor and Extract Manufacturers Association; Fragrance Foundation (serve on board); Institute of Food Technologists; International Association of Flavour Industries; International Fragrance Association (serve on board); International Fragrance Association–North America (serve on board); International Organization of the Flavor Industry (serve on board); Monell Chemical Senses Center; Natural Resources Stewardship Circle; Personal Care Products Council; Research Institute for Fragrance Materials (serve on board); Sense of Smell Institute.
4.14	List of stakeholder groups engaged by the organization.	Fully	pp. 84–85, Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	p. 84, Stakeholder Engagement. Also, leading up to the formalization of our sustainability strategy, we engaged with a number of stakeholders, especially customers and employees. The customers with whom we engaged were selected by our senior commercial management team based on their position in the marketplace, importance to IFF and current sustainability program. The employees were selected based on interest in the strategy development process. Also, our internal investor relations team provided us with a review of investor positions on sustainability topics.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	pp. 84–85, Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	pp. 84–85, Stakeholder Engagement

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

Key to Indicators: ■ Fully Reported ■ Partially Reported

G3.1 DMAs	Description	Level Reported	Cross-reference/Direct answer
DMA Disclosure on Management Approach EC (Economic)			
Aspects			p. 6, Our Company; p. 8, CEO Letter. See responses to EC1, EC3 and EC4 below.
	Economic performance	Fully	p. 6, Our Company; p. 8, CEO Letter. See responses to EC1, EC2, EC3 and EC4 below.
	Market presence	Partially	See response to EC7 below.
	Indirect economic impacts	Partially	pp. 55 and 58, Our Sources
DMA Disclosure on Management Approach EN (Environmental)			
Aspects		Fully	Environmental, health and safety policies, procedures and compliance oversight are the responsibility of our Global Regulatory Affairs group. The vice president of Global Regulatory Affairs reports to the chairman and CEO through the senior vice president and general counsel. Our new director of sustainability reports to the president of the Fragrances business unit, who in turn reports to the chairman and CEO. The director of sustainability is responsible for finalizing and implementing our sustainability strategy, including environmental goals and targets, for both the Fragrances and Flavors business units.
	Energy	Fully	pp. 20 and 23, Our Products; pp. 66, 72 and 73, Our Impact. See also responses to EN3, EN4, EN5, EN6 and EN7 below.
	Water	Partially	p. 20, Our Products; pp. 54-57, Our Sources; p. 67, Our Impact. See also responses to EN8 and EN10 below.
	Biodiversity	Partially	pp. 56-57, Our Sources
	Emissions, effluents and waste	Partially	pp. 20 and 27, Our Products; pp. 63-73, Our Impact. See also responses to EN16, EN18, EN22, EN23 and EN24 below.
	Products and services	Partially	See response to EN26 below.
	Compliance	Fully	See response to EN28 below.
	Transport	Fully	p. 69, Our Impact

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
DMA	Disclosure on Management Approach LA (Labor Practices and Decent Work)		
		Fully	<p>At the corporate level, employee-related issues are overseen by our senior vice president and chief human resources officer, who serves as a member of the Operating Committee and reports directly to our CEO. She oversees the work of our four global HR heads (one each for Fragrances/Flavors, Supply Chain, Finance/IT and R&D/Legal), our regional HR leads, and our HR business partners in each major IFF location around the world. Union relationships are handled by the local HR business partners and operations management.</p> <p>Workplace safety is overseen by our Environment, Health and Safety (EHS) office within our Global Regulatory Affairs function. EHS provides leadership, guidance and assistance to all IFF locations, to help them achieve and maintain compliance with internal and external health and safety standards. The operations management team at each manufacturing facility is responsible for driving safety performance within their own facility.</p>
Aspects	Employment	Partially	pp. 35-37, Our People. See also responses to LA1 and LA2 below.
	Labor/management relations	Partially	See response to LA4 below.
	Occupational health and safety	Partially	pp. 69 and 74-75, Our Impact, and p. 44, Our People. See also responses to LA6, LA7 and LA8 below.
	Training and education	Fully	pp. 39 and 42, Our People. See responses to LA10, LA11 and LA12 below.
	Diversity and equal opportunity	Fully	p. 44, Our People. See also response to LA13 below.
	Equal remuneration for women and men	Partially	IFF is committed to the principle of providing equal opportunity for all employees. In direct support of IFF's Equal Employment Opportunity Policy, we recognize that it is good practice that pay be awarded fairly and equitably regardless of gender, race, color, creed, religion, sexual orientation, national origin, marital status, pregnancy, ancestry, age, political or religious opinions or affiliations, military or veteran status, record of conviction or arrest, protected disability, genetic characteristics or HIV status.
DMA	Disclosure on Management Approach HR (Human Rights)		
		Fully	pp. 51-53, Our Sources. Vendor Code of Conduct. http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct . Our Global Procurement division oversees our supplier relationships, which cover issues of human rights.
Aspects	Investment and procurement practices	Partially	pp. 50-59, Our Sources. See also response to HR2 below.
	Freedom of association and collective bargaining	Fully	See DMA HR response above and response to HR5 below.
	Child labor	Fully	See DMA HR response above and response to HR6 below.

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
	Prevention of forced and compulsory labor	Fully	See DMA HR response above and response to HR7 below.
DMA	Disclosure on Management Approach SO (Society)		
		Fully	See response to LA5 below. Code of Business Conduct, Vendor Code of Conduct, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-govConduct
Aspects	Local communities	Partially	p. 58, Our Sources; pp. 77-78, Our Impact; p. 86, Stakeholder Engagement. See also response to SO1 below.
	Public policy	Partially	See responses to SO5 and SO6 below.
DMA	Disclosure on Management Approach PR (Product Responsibility)		
		Fully	pp. 28-31, Our Products. See also responses to PR3, PR5, and PR6. Our Global Regulatory Affairs department manages our regulatory and safety approach and ensures that we are meeting all requirements of the many global regions where we operate. We monitor regulatory changes and work with our customers on issues that impact their products. Across our operations, more than 300 individuals directly support our product quality safety systems. However, we believe that product quality and safety are the responsibility of all of our employees. Continuous improvement of our processes is central to our culture, and the focus of every business activity, from creative design through procurement, manufacturing through customer service. IFF fragrance and flavor facilities incorporate the necessary requirements of a number of internationally recognized quality systems, including: <ul style="list-style-type: none"> • ISO 9001 (2000), the international standard for quality management • The Hazard Analysis Critical Control Point system, which provides a systematic approach to safety management • Good Manufacturing Practices • American Institute of Baking standards All finished IFF products undergo final quality-control testing, which, depending on the product, might include sensory, analytical, and microbiological analysis.
Aspects	Customer health and safety	Partially	See response to PR1 below.
	Product and service labelling	Partially	See responses to PR 3 and PR5 below.
	Marketing communications	Partially	See response to PR6 below.

Standard Disclosures Part III: Performance Indicators

Key to Indicators: ■ Fully Reported ■ Partially Reported

Profile Disclosure	Description	Level Reported	Cross-reference/Direct answer
ECONOMIC			
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partially	p. 6, Our Company; IFF 2011 Form 10-K, pp. 23-24, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	p. 8, CEO letter; p. 51, Our Sources; p. 65, Our Impact; IFF 2011 Form 10-K, p. 18, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	IFF 2011 Form 10-K, pp. 74-81, http://phx.corporate-ir.net/phoenix.zhtml?c=65743&p=irol-quarterlyfinancials
EC4	Significant financial assistance received from government.	Fully	IFF is a public corporation and does not receive material financial assistance from governments.
Market presence			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	p. 36, Our People.
ENVIRONMENTAL			
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	pp. 65-66, Our Impact
EN4	Indirect energy consumption by primary source.	Fully	pp. 65-66, Our Impact
EN5	Energy saved due to conservation and efficiency improvements.	Fully	p. 23, Our Products; pp. 65-66, 72-73, Our Impact
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	pp. 20, 22-23, Our Products

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	p. 23, Our Products; pp. 63-67, 72 and 73, Our Impact
Water			
EN8	Total water withdrawal by source.	Partially	p. 20, Our Products; pp. 54-57, Our Sources; p. 67, Our Impact
EN10	Percentage and total volume of water recycled and reused.	Partially	p. 67, Our Impact
Biodiversity			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	p. 57, Our Sources
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	pp. 65 and 72, Our Impact
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	pp. 20 and 27, Our Products, pp. 65 and 72, Our Impact
EN22	Total weight of waste by type and disposal method.	Partially	p. 68, Our Impact
EN23	Total number and volume of significant spills.	Fully	We experienced no significant spills in 2011.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	p. 68, Our Impact. We do not import hazardous waste from outside locations nor transport it from one IFF site to another. All of our hazardous waste is handled in accordance with country regulations.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	pp. 20-27, Our Products; pp. 54-55, Our Sources; pp. 63-72, Our Impact
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	We paid no significant fines during 2011, had no non-monetary sanctions and no cases brought through dispute resolution mechanisms.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
SOCIAL: LABOR PRACTICES AND DECENT WORK			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	p. 6, Our Company; Global: 5,600 NOAM (North America): 1,400 (25%) LA (Latin America): 725 (13%) GA (Greater Asia): 1,625 (29%) EAME (Europe, Africa, Middle East): 1,850 (33%) IFF does not currently track this data in the manner requested by GRI (by employment type, employment contract and gender) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Companywide total turnover rate: 8% Companywide voluntary turnover rate: 6% Turnover and voluntary by region: NOAM: 7% - Vol: 3%; GA: 11% - Vol: 9%; EAME: 9.5% - Vol: 4%; LA: 15% - Vol: 7% IFF does not currently track this data in the manner requested by GRI (by age and gender, by voluntary and involuntary turnover) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	25% (1,426 employees)
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Every IFF site has in place a safety committee that meets regularly. Some of these committees have both manager-level and employee members; others are made up of just management or just employees.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	<p>pp. 74-75, Our Impact.</p> <p>Injury Rate: Global: 1.26 per 100 employees. By region: NOAM, 3.17 LA, 0.68 Europe, 1.97 India/AsPac, 1.37 AC Plants, 1.31 Creative Centers, 0.42 Sales Offices, 0.00</p> <p>Lost Day Rate: Global: 5.90 per 100 employees. By region: NOAM, 26.70 LA, 1.19 Europe, 2.72 India/AsPac, 9.40 AC Plants, 1.44 Creative Centers, 2.15 Sales Offices, 0.00</p> <p>Fatalities: 0</p> <p>IFF does not currently track this data in the manner requested by GRI (Occupational Diseases, Absentee rate by region or globally employment type, Injury Rate or Lost Day Rate by gender) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.</p>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	<p>p. 44, Our People; p. 86, The IFF Foundation. Employees at IFF enjoy a comprehensive package of employee benefits, with some locations offering additional options relevant to their market conditions and local practices. As a company increasingly focused on providing products for our customers that promote health and wellness, we are likewise focused on promoting healthy lifestyles among our employees. In North America, for example, we introduced "For the Health of It," an employee wellness program. Designed to promote and reward preventative care and healthy lifestyle practices, the program will also help reduce health costs for both employees and IFF. The program includes targeted behavior programs, health challenges, online health webinars and preventative care. To further encourage physical fitness and combat the negative impact of lifestyle diseases, the IFF Flavors Plant in South Brunswick, New Jersey, will open an expanded employee gym in 2012. Around the world, IFF sites have programs and activities, tailored to local needs, that encourage employees to take responsibility for their own fitness, health, and wellness. For example: IFF's Hilversum, The Netherlands, office offers a weekly yoga class taught by an employee and partially subsidized by IFF, as well as a running club. IFF's São Paulo, Brazil, office also offers a weekly running class and free biweekly yoga class for employees.</p>
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	<p>pp. 39-40, Our People. To date, we have not tracked total hours of training, but we are installing a learning management system that should enable us to report on this metric in the future.</p>

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	pp. 39-40, Our People. In North America we provide annual seminars on our 401(k) plans and associated issues related to retirement planning. And outplacement counseling services are provided to employees in the U.S. who are involuntarily separated from the company.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	All "eligible" employees (i.e., nearly all employees except those who are union members, or approximately 80 percent of our workforce) receive regular yearly performance appraisals.

Diversity and equal opportunity

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	pp. 44-45, Our People; p. 81, Governance. Breakdown of employees overall: NOAM: 1,400 (25%) - 64% Male - 36% Female LA: 725 (13%) - 65% Male - 35% Female GA: 1,625 (29%) - 66% Male - 34% Female EAME: 1,850 (33%) - 61% Male - 39% Female IFF does not currently track this data in the manner requested by GRI (by age group and minority group membership) but we will continue to work toward developing a process for collecting the data in accordance with GRI requirements.
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SOCIAL: HUMAN RIGHTS

Investment and procurement practices

HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	pp. 52-53, Our Sources
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Freedom of association and collective bargaining

HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	No IFF operations have been identified as at risk for prohibiting freedom of association or collective bargaining. Further, IFF requires that our vendors comply with our Vendor Code of Conduct which requires that vendors respect their right of their employees to form and join trade unions and to bargain collectively. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.
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Child labor

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	No IFF operations have been identified as having a risk for incidents of child labor. Further, IFF requires that our vendors comply with our Vendor Code of Conduct which requires compliance with appropriate regulations and guidelines regarding minimum legal age of employees. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.
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Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	No IFF operations have been identified as having a risk for incidents of forced or compulsory labor. Further, IFF requires that our vendors comply with our Vendor Code of Conduct which prohibits the use of involuntary labor of any kind, including prison labor, debt bondage, indentured servitude or forced labor. Our Vendor Code of Conduct is updated periodically, distributed regularly and enforced through on-site audits of vendor facilities.
SOCIAL: SOCIETY			
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	pp. 77-78, Our Impact
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Partially	IFF does not lobby nor participate in public policy development independently. We work through both industry trade associations (IFRA, IOFI, etc.) or through our customers' trade associations. The core position of the industry is that our products are safe for their intended use. This assurance is determined through a science-based, safety risk assessment utilizing validated scientific methods and experts. There are no significant differences between our industry lobbying efforts and stated policies and IFF's goals or public positions.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	IFF does not make monetary contributions to political candidates or campaigns.
SOCIAL: PRODUCT RESPONSIBILITY			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	pp. 16-20 and 28-30, Our Products
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Disclosure of sourcing of information related to components of our products is made where required by local regulation or customer agreement. Disclosure of content is made where required by local regulation, customer agreement or trade industry standards (i.e., IFRA). Information regarding the safe use and disposal of our product is included in the MSDS or eMSDS statements. All of our products are compliant with disclosure and labeling requirements.

Performance Indicator	Description	2011 Reported	Cross-reference/Direct answer
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Our products are developed solely for the business-to-business market. Therefore, we do not have a system in place to measure satisfaction of the end consumer. However, we do have a robust system for measuring on-time performance (OTP) for all IFF shipping locations. If IFF does not meet the customer's first requested ship date, it is a penalty against the plant. OTP is a standard metric that is monitored daily by all facilities. IFF's Consumer Insights programs are designed to understand consumer experiences, preference, and the emotional bond between fragrances, flavors, and consumers. These insights drive us to create fragrances and flavors that people love, both within and across critical global markets.
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	We do not market nor advertise our products to consumers. Our flavors and fragrances are designed exclusively for our customers, in a business-to-business relationship. We do not sell products that are banned.



External Assurance Statement

International Flavors & Fragrances, Inc. [“IFF”]

2012 Sustainability Report

GRI Application Level: **“B+”**

Scope of Assurance

ISOS Group [“Assurance Provider”] has been commissioned by the management of International Flavors & Fragrances, Inc. [“IFF”] to carry out an assurance engagement on the IFF 2011 Sustainability Report [“Report”], in conjunction with a verification of the greenhouse gas emissions reported by IFF to the Carbon Disclosure Project for calendar year 2011. The scope of the assurance covered economic, social and environmental performance data, both quantitatively and qualitatively expressed on behalf of IFF. Any financial information contained within the Report is excluded from the scope of this assurance process.

The review was conducted based on the Report content and supporting documentation made available during the assurance engagement period (June- July, 2012).

Objectives

The objectives of the assurance process were to validate claims and evaluate systems for collecting, reporting and analyzing data, including a thorough review of the Report against the Global Reporting Initiative’s [“GRI”] Sustainability Reporting Guidelines G3.1 and confirmation of the Application Level.

Our Responsibility

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

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

Criteria for Assurance and Level of Assurance

The Assurance Provider pursued limited level of assurance, evaluating the Report’s adherence to the AA1000 Assurance Standard (2008) [AA1000AS]’s principles of Inclusivity, Materiality and Responsiveness and GRI’s reporting principles for Quality, Content and Boundary Setting. Additionally, the Assurance Provider performed a verification of IFF’s stated greenhouse gas emissions, in accordance with the ISO 14064-3: Greenhouse Gases – Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions.

Methodology

As part of the assurance engagement, the Assurance Provider verified the sustainability-related statements and claims made in the Report, including associated information. To derive our conclusions, we investigated the integrity of the internal processes, controls and underlying evidence, made available to the Assurance Provider.

We undertook the following activities:

- ✓ We performed an in-depth review and checked the Report's Application Level, for alignment with GRI's Sustainability Reporting Guidelines G3.1;
- ✓ We conducted sample based reviews of the information systems and methodologies used for gathering, calculating and reporting the data included in the Report in addition to sustainability goals, targets and commitments;
- ✓ We performed process interviews with core members of relevant personnel from IFF's reporting team, including a site visit at the company's headquarters where data is collected and processed;
- ✓ We conducted an investigation of the procedures for determining material issues and the mechanisms for implementing IFF's sustainability related policies, as described in the Report;
- ✓ We reviewed subsequent drafts of the report and followed up with IFF's Director of Global Sustainability to address discrepancies and ensure that the gathered evidence could support claims and data within the scope of the assurance engagement.

The procedures selected are based on the Assurance Provider's professional judgment. Data justifications supplied by the report coordinator, policies and procedures driving ethical operating behaviors and process interviews conducted with key members of the reporting team were referred to, as support for claims made by IFF. Although only twenty Core material indicators are required for a GRI "B" level report, this external assurance statement is based on the results of a comprehensive verification of all disclosed indicators. An initial review allowed IFF to make adjustments to detected discrepancies and deliver supplemental data to support their case. Once a revised draft was delivered to the Assurance Provider, final results were confirmed for each main task-Credibility Check, Quantitative and Qualitative Reviews.

Conclusions

Based on the procedures conducted, there is no evidence that the IFF 2011 Sustainability Report is not a fair representation of the organization's sustainability-related strategies, management systems and performance, and that the assertions contained in the Report are not materially correct for the stated period and boundaries.

The Report, along with supplemental documentation supplied to the Assurance Provider, meets the general requirements of the GRI G3.1 Framework and the Assurance Provider confirms that the GRI requirements for Application Level "B+" have been met.

We have evaluated the report's ability to address specific criteria within the following main tasks on a scale of "Good", "Acceptable", "Fair" and "Needs Improvement".

Credibility Check: GOOD

IFF has accurately referenced the reported indicators in the GRI Content Index and corrective action has been taken to address minor discrepancies brought to IFF's attention during the assurance process. It is also

apparent that the choice of disclosure is relevant for the size and scope of the organization's activities and is consistent with the initial materiality exercise conducted by IFF. This year's Report builds upon previous years' work conducted to strengthen policies, procedures and data tracking mechanisms, often times dependent on third parties. This move, symbolizes a strong commitment to the organization's mission and vision of influencing others along IFF's value chain. In our opinion, IFF has taken the proper steps to embed sustainability in the organization and the maturity of supporting processes for data management will further enhance the overall credibility of the sustainability program.

Quantitative Review: GOOD

The organizational structure and data monitoring system implemented by IFF, lend to the credibility and reliability of disclosures. Assumptions, estimates and measurement techniques have been adequately noted while minor data discrepancies identified through the assurance engagement have been appropriately corrected. Our opinion is based upon careful analysis and verification of supplemental information from previous reporting cycles, along with current data. IFF has made significant strides to improve data collection and reporting, and is looking to further strengthen its sustainability reporting through the addition of new sets of targets and indicators and the establishment of stricter guidelines and management controls. It is our opinion that IFF is well positioned to become a model within its industry and influence others along the way by consistently communicating progress, to all its stakeholders, on performance data and efforts to mitigate impacts associated with its operations

Qualitative Review: GOOD

In moving forward, best practices in reporting among peers, local regulations and/or other external factors contributing to the issues chosen as "material" could help further define the sustainability context within IFF's industry. Since issuing its inaugural report for 2010, IFF has worked diligently to strengthen monitoring systems and increase responsibility at the Divisional level to ensure accuracy of reporting against targets and indicators. This will provide for a greater level of comparability and further expansion of the stakeholder engagement process in the future. In our opinion, the Report does not misrepresent significant economic, environmental and social impacts or omit relevant information that would influence stakeholder decisions. The Report is an attestation in itself to the organization's commitment to making significant progress towards implementing more sustainable practices and influencing others who share in IFF's global footprint.

Statement of Independence

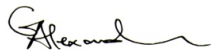
ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Reporting Initiative (GRI) and providing external assurance services.

The Assurance Provider's team members have not been involved in the development of the Report nor have they been associated with IFF's sustainability program, data collection, or processes. We conducted this assurance engagement independently and, to our knowledge, there has been no conflict of interest.

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



Nancy Mancilla
Project Lead
July 22, 2012



Alexandru Georgescu
Quantitative Analysis Lead