

Welcome to your CDP Forests Questionnaire 2023

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.

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, 2022	December 31, 2022

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.

Timber products

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

IFF purchases timber products. After the 2021 IFF merger with DuPont N&B IFF found a higher spend in timber as a combined company than in previous reporting years. IFF has a plan to analyze timber products more diligently in order to disclose data regarding timber products within the next two years.

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Cattle products

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

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

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

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

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

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) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Czechia
Denmark
Egypt
Finland
France
Germany
Guatemala
Iceland
India
Indonesia
Ireland
Israel
Italy
Japan

Malaysia
Mexico
Netherlands
New Zealand
Norway
Peru
Philippines
Poland
Republic of Korea
Russian Federation
Singapore
Slovenia
South Africa
Spain
Switzerland
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) 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 product manufacturing

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
Ghana
Guatemala
Honduras
Indonesia
Malaysia
Nigeria
Papua New Guinea
Philippines
Solomon Islands
Thailand

% of procurement spend

1-5%

Comment

At IFF, we use around 0.14 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.

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
Palm oil	1-5%	IFF's Core Emulsifiers business unit is where IFF's palm oil use is concentrated. Palm derivatives are commonly used in the manufacture of flavors and fragrances too, these make up a small percentage of our final flavors or fragrances products. 40% to 50% of the Core Emulsifiers business unit is dependent on palm.

F1.5

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

	Data availability/Disclosure
Palm oil	Consumption data available, disclosing

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

104,663.57

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

42.9

Please explain

In 2022, we partnered again with a third-party company, Proforest, to map out our supply chain and create our No Deforestation, No Expansion on Peat and No Exploitation Implementation Reporting Framework (NDPE IRF) Profile, which includes the calculation of our deforestation and conversion-free volumes.

Note: The 1,833.85 MT (or 1.7%) difference between the 104,663.57 MT reported here and the 106,497.42 MT reported on the ACOP report to RSPO is due to an adjustment in our database performed after the submission of the ACOP report.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

100

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

11.9

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

23.7

% of non-DCF production/consumption volume traceable to production unit level

64.4

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

F1.5c

(F1.5c) 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

5

Please explain

In December 2021, we launched an updated commitment on palm oil 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 2022 volumes. The company decided to prioritize the strategic top portion of the volume, covering 96.7%, with 89% 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 with this. However, these refineries could have sourced from multiple

jurisdictions and in different proportions. Our palm oil sourcing strategy is global, and valid for all countries.

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

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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

Please explain

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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

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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 2022 volumes. The company decided to prioritize the strategic top portion of the volume, covering 96.7%, with 89% of traceability to mills.

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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

4

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

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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

In December 2021, we launched an updated commitment on palm oil 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

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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

Don't know

% of total production/consumption volume

0.5

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

0.5

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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F1.5f

(F1.5f) 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

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

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

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

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

Known or estimated deforestation/ conversion footprint (hectares)

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

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
Global Forest Watch Pro
Other, please specify
NEPCon Sourcing Hub

Issues considered

- Availability of forest risk commodities
- Quality of forests risk commodities
- Impact of activity on the status of ecosystems and habitats
- 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:

Internal Company 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. The enterprise risk management program annually assesses risks, including sustainability issues and climate change, 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 climate-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. ERM Risk Assessments are conducted when changing conditions warrant new analysis. Through this expansive program we were able to define substantive risk at the corporate level.

External Consultants -

In 2022, IFF refreshed the palm oil supply chain mapping study conducted in 2021 with our partner Proforest. This process of third-party engagement has been effective in validating our approach for assessing forest-related risks.

Global Forest Watch Pro

NEPCon Sourcing Hub

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.

ESG Materiality Assessment –

We routinely conduct a structured ESG materiality analysis to identify the issues of most importance to our company and our stakeholders.

Issue(s) considered most significant to the company:

The responsible sourcing of palm oil is the forest-related issue that IFF considers most significant to our company. Responsible sourcing is central to how we source and work with suppliers.

F2.2

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

	Value chain mapping
Palm oil	Yes, we have partially mapped the value chain

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)


97.2

Description of mapping process and coverage


In 2022, we partnered with a third-party company, Proforest, to map out the suppliers representing the top 97.2% of our total 2022 volume to mills. The remaining 2.8% represent a long-tail volume and was not mapped due to operational limitations. The top 97.2% volume is being prioritizes. The mapping process was implemented by sending a

traceability questionnaire. This questionnaire requested suppliers to share their traceability to mill and plantation volume percentages, and their mill lists. This year, we added a new request to identify the refinery supplying the T1 suppliers. IFF has a partial mapping of the T2 palm oil 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 = 97.2% of T1 suppliers (47 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)


 List of plants that proces palm oil.pdf

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

 IFF_2022_mill_list_June_2023.xlsx

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	IFF utilizes the Global Forest Watch (GFW) Pro platform to classify risk levels within our company. The classification process is based on the GFW's PALM Risk Tool, which analyzes seven environmental indicators organized into two indices: Threats and Values. The Threat index evaluates the probability of a mill's involvement in past deforestation-related impacts. It considers indicators such as	GFW Pro supports IFF in: <ul style="list-style-type: none"> • assessing reputational risks from past and potential future deforestation-related activities. • prioritizing high-risk mills or geographies for auditing, mitigation, and 	 1

	<p>historical deforestation, peat clearance, protected areas encroachment, and historical fire. Through this analysis, we determine both the overall threats index risk level and the risk level for each specific indicator.</p> <p>In contrast, the Values index focuses on forecasting the risk of future deforestation-related impacts associated with a particular mill. It assesses three environmental indicators: Forest, Peat, and Protected Areas. Similar to the Threat index, we calculate the overall Values index risk level and the risk level for each indicator.</p> <p>To classify the risk, we establish a 50km buffer around each mill's GPS point, representing its fresh fruit bunch sourcing radius. Within this buffer, we exclude water areas and quantify the extent of peat and protected areas on the remaining land, measured in hectares. The Values index indicators are based on the amount of forest, peat, and protected area within this buffer.</p> <p>For risk classification, we compare the indicator values against the Universal Mill list (UML), utilizing the most up-to-date data available. Thresholds are determined based on quantiles of the data, categorizing mills as low, medium, or high risk. We assign scores to each category to calculate the risk for all Threats and Values indicators. These scores are then aggregated to derive an overall Threat and Values score, enabling us to determine the mill's risk level and its</p>	<p>supplier engagement.</p> <ul style="list-style-type: none"> • prioritizing high-risk mills or geographies for further investment in farm-level traceability. 	
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	associated priority.		
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 Risk Classification - NDPE IRF Methodology.pdf

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?
Palm oil	Yes

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, we include 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 and 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 NEPCo 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. In 2022, IFF conducted a risk assessment for the entire portfolio of direct spend suppliers for the combined company. The results of the assessment inform our supplier engagement activities, assessment and audit requirements and procurement decisions. In 2023, we will continue human rights risk assessments in strategic naturals supply chains, including palm.

In addition, we conducted a structured ESG materiality analysis to identify the issues of importance to our company and our stakeholders. The results of the ESG materiality analysis identify potential strategic risks to consider. 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

The potential impacts on our organization are linked to our Nourish business segment, which encompasses a diverse portfolio of natural-based ingredients utilized in various applications such as beverages, dairy, bakery, confectionery, and culinary products. Our consumption of palm oil is concentrated within the Core Emulsifiers segment of the Nourish business. As the demand for sustainable consumer products grows, availability of certified sustainable palm oil can become a strategic risk. Our palm oil supply is secured on a year-to-year basis, and we conduct an annual review of our palm supply chain to adapt to changing circumstances, particularly monitoring the availability of new certified sources or supply chain partners obtaining or losing RSPO certifications. The secondary impacts of this risk extend to our smallholder suppliers. Smallholders incur increased costs to certify sustainable palm, the return on these costs can vary depending on the level of traceability provided by the certification.

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)

Potential financial impact figure - minimum (currency)

240,000

Potential financial impact figure - maximum (currency)

60,000,000

Explanation of financial impact

Palm represents between 40 and 50% of our Core Emulsifier business of around USD 600 million per year i.e., Palm represents between USD 240 and 300 million per year (equivalent to 1.9 to 2.4% of the Company's total revenue of USD 12.440 billion). The potential financial impact is calculated as between 0.1 and 20% of the palm business (USD 240-300 million), i.e., between USD 240,000 and 60,000,000.

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 35 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

2,180

Explanation of cost of response

The cost to IFF to respond to this risk is the membership fee IFF pays to remain active members of RSPO. Active membership in RSPO supports growth and stability of the certified sustainable palm oil market.

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?
Palm oil	Yes

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

Strategic Importance of Increasing Demand for Certified Materials to IFF:
The increasing demand for certified sustainable materials in the food, cosmetics and personal care industries, presents a strategic opportunity for IFF (in alignment with our definition in 3.1a). As public awareness of sustainable palm sourcing continues to grow, customers are increasingly seeking products that are certified sustainable. At IFF, palm oil and palm kernel oil, along with their derivatives, represent between 1.9% and 2.4% of our total revenue, concentrated in our Nourish business segment. The opportunity presented by increasing demand for certified materials originates from both customer demand and our sustainability initiatives.

To capitalize on this opportunity, IFF has taken several actions. We have been an ordinary member of the Roundtable on Sustainable Palm Oil (RSPO) since 2020 and participate in regular meetings and events to support our sustainable palm oil sourcing targets. We are also members 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.

Currently, 35 of our facilities have received RSPO Supply Chain Certification, enabling us to supply RSPO certified ingredients to our customers. In 2021, we refreshed our Sustainable Palm Oil Policy, setting a target to source from deforestation- and conversion-free palm oil supply chains by 2025. By 2025, our goal is to source 100% physical certified RSPO palm oil, palm kernel oil, and their derivatives globally. Furthermore, we plan to increase RSPO Supply Chain certification for our manufacturing facilities, expanding the markets capacity to supply RSPO certified ingredients to meet growing demand.

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)

Potential financial impact figure – minimum (currency)

240,000

Potential financial impact figure – maximum (currency)

60,000,000

Explanation of financial impact figure

Palm represents between 40 and 50% of our Core Emulsifier business of around USD 600 million per year, i.e., Palm represents between USD 240 and 300 million per year (equivalent to 1.9 to 2.4% of the Company's total revenue of USD 12.440 billion).

The potential financial impact is calculated as between 0.1 and 20% of the palm business (USD 240-300 million), i.e., between USD 240,000 and 60,000,000.

Cost to realize opportunity

10,098,727

Strategy to realize opportunity

IFF is engaged in various initiatives and programs to realize this opportunity. It is important to support our smallholders in managing the risk of certification costs, while ensuring sufficient revenue to cover certification expenses. In support of smallholder farmers, IFF actively engages in initiatives to promote a stable market for certified sustainable palm oil and livelihood of our suppliers with the goal of sourcing goal to source 100% physical certified RSPO palm oil by 2025. Our partnership with MARIPOSA is one example of actions IFF has taken to realize this opportunity. 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. The first three-year project under MARIPOSA — a smallholder training program in Honduras called WISSE (Wilmar Supports Sustainable Entrepreneurs) — concluded its third and final year in 2022. In total, 1,666 smallholders were trained on eight sustainability topics. In addition, 352 smallholders are now sustainably certified by RSPO or the International Sustainability & Carbon Certification (ISCC). This represents 65% of the project's original certification goal.

The cost to realize this opportunity in 2022 is combination of IFF's financial contributions to partnerships that support the growth of the certified sustainable palm oil market (e.g., partnerships with MARIPOSA and Proforest), plus the premiums we paid in 2022 to procure RSPO certified sustainability palm oil.

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 or committee	Responsibilities for forest-related issues
Board-level committee	<p>Sustainability and Environmental, Social and Governance (“ESG”) oversight is the responsibility of the Governance & Corporate Responsibility Committee of the Board of Directors of International Flavors & Fragrances Inc. Our board-level Governance & Corporate Responsibility Committee provides guidance on IFF’s Do More Good Plan, related divisional ESG+ strategies, sustainable solutions performance and KPI tracking. This includes assessing new opportunities that would support our sustainability and corporate responsibility targets and goals, including those related to risks associated with responsible sourcing.</p> <p>In 2022, the Governance & Corporate Responsibility Committee continued to oversee the execution of IFF’s 2030 Do More Good Plan. This includes the company’s commitment to accelerating responsible sourcing practices by approving the procurement of book and claim credits to cover non-certified palm 2022 volumes.</p>

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 - all meetings	<p>Monitoring implementation and performance</p> <p>Overseeing acquisitions, mergers, and divestitures</p>	<p>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 Executive Committee member and supported by a member of the Global Sustainability</p>

		<p>Overseeing major capital expenditures</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Reviewing innovation / R&D priorities</p> <p>Setting performance objectives</p>	<p>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.</p>
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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 related to IFF operations. This includes understanding and acknowledging how IFF embeds ESG into our daily operations as well as our future targets. This is measured by the members' past positions within and outside of IFF relating to manufacturing, ESG, and other business functions related to IFF. The second criterion is being selected as part of the governance and corporate responsibility committee which is responsible for providing oversight to sustainability,

ESG and climate related matters. Committee members are selected based on their knowledge of ESG issues, experience within IFF’s ESG programs, past experiences involving ESG related topics, as well as the desire to guide the ESG related principles at IFF.

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)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Monitoring progress against forests-related corporate targets Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Quarterly	The CEO is ultimately responsible for managing all risks and opportunities at IFF. The CEO participates in committee board meetings including those of governance and corporate responsibility which specifically provides oversight for forest action. In addition, the CEO receives regular updates outside of board committee meetings related to ESG, sustainability, climate related matters. Such as updates on IFF’s Do More Good Plan which includes the company’s commitment to accelerate its responsible sourcing practices by promoting regenerative ecosystems and achieving zero deforestation for strategic raw material supply chains by 2030, beginning with palm, soy and wood. More specifically, 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

			<p>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. Additionally, these positions also attend other forums, like CDP events, to stay abreast of changes on key forests-related issues.</p>
<p>Chief Operating Officer (COO)</p>	<p>Managing annual budgets relating to the implementation of forest-related policies and commitments</p> <p>Monitoring progress against forests-related corporate targets</p> <p>Assessing forests-related risks and opportunities</p>	<p>Quarterly</p>	<p>The COO is responsible for IFF manufacturing operations that effect forest related activities. The risks and opportunities associated with deforestation directly impact IFF operations.</p> <p>The COO receives regular updates at least quarterly on sustainability performance including progress against forest targets. As well as climate related risks and opportunities. This role reports directly to the Chairman and CEO. This position is responsible for global procurement and forest-related risks and opportunities in our operations. The COO manages these issues by overseeing the Responsible Sourcing program, which includes sourcing Palm Oil responsibly and is a part of the Governance & Corporate Responsibility Committee of the Board of Directors. This position also enables the approval of budgets approved for Sustainability programs for own operations and supply chain partners, including the community programs budget.</p>

<p>Chief Sustainability Officer (CSO)</p>	<p>Monitoring progress against forests-related corporate targets Assessing forests-related risks and opportunities Managing forests-related risks and opportunities</p>	<p>Quarterly</p>	<p>The CSO provides oversight for the execution of the sustainability and ESG strategy (The Do More Good Plan).</p> <p>The CSO receives at least monthly updates on sustainability performance including progress against climate reduction targets. As well as climate related risks and opportunities.</p>
<p>Risk committee</p>	<p>Managing public policy engagement that may impact forests Assessing forests-related risks and opportunities Managing forests-related risks and opportunities</p>	<p>Quarterly</p>	<p>The risk committee is responsible for reviewing and evaluating risks and opportunities throughout IFF including those risks and opportunities related to climate change.</p> <p>Risks and opportunities are reviewed with the risk committee at least annually with periodic updates on risks that are considered priorities.</p> <p>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 has responsibility over forest-related issues because ESG risks are also included in this program based on input from our Global Sustainability Team.</p>
<p>Other, please specify Governance and Corporate Responsibility Board Committee</p>	<p>Managing public policy engagement that may impact forests Assessing forests-related risks and opportunities</p>	<p>Quarterly</p>	<p>Our Board-level Governance & Corporate Responsibility Committee provides guidance on IFF's Do More Good Plan, related divisional ESG+ strategies, sustainable solutions performance and KPI tracking. This includes assessing new opportunities that would support our sustainability and corporate responsibility targets and goals, including those related to</p>

	<p>Managing forests-related risks and opportunities</p>	<p>risks associated with responsible sourcing. In 2022, this committee continued to oversee the execution of IFF's 2030 Do More Good Plan. This includes the company's commitment to accelerating responsible sourcing practices by promoting regenerative ecosystems and achieving zero deforestation for strategic raw material supply chains by 2030, beginning with palm, soy and wood. The Governance & Corporate Responsibility committee approves the procurement of book and claim credits to cover non-certified palm volumes. The committee also supported our 2022 strategic refresh, which combined the Do More Good Plan with our organizational strategy into the Do What Matters Most strategy. The strategy deeply embeds ESG and Sustainable Solutions priorities across IFF's entire enterprise, strengthening the Company's commitment to positively impact our environmental footprint and communities where we operate. With this refreshed strategic framework, we will be better positioned to meet customer demands that include heightened ESG expectations and fulfill our purpose of applying science and creativity for a better world.</p>
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F4.3

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

	<p>Provide incentives for management of forests-related issues</p>	<p>Comment</p>
<p>Row 1</p>	<p>Yes</p>	<p>The Executive Vice President (EVP) of Operations is the highest level executive responsible for oversight of operations globally (note IFF</p>

		does not have the title of COO). 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.
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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	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Operating Officer (COO)	Ending deforestation and/or conversion of other natural ecosystems Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities Increased supply chain mapping Engagement in landscape and/or jurisdictional approaches	The Executive Vice President (EVP) reports directly to the CEO. Global Operations Officer who is ultimately responsible for our performance-based targets set forth in the Do More Good Plan which aligns with IFF's 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 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). The EVP of Operations reports 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 certified by the Roundtable on Sustainable Palm Oil by 2025. The threshold of success for each indicator is based on


				<p>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.</p>
<p>Non-monetary reward</p>	<p>Other, please specify procurement, sourcing, and corporate responsible sourcing</p>	<p>Ending deforestation and/or conversion of other natural ecosystems Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities Increased supply chain mapping Engagement in landscape and/or</p>	<p>Employees that help contribute to our forest goals are mainly those that are in the sourcing and procurement departments. These groups help contribute to the overall forest goals by prioritizing IFF's commitment of responsible sourcing through due diligence when procuring raw materials such as palm, soy and timber. In conjunction with sourcing and procurement, IFF's global Responsible Sourcing team also supports IFF's forest targets by performing</p>	<p>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</p>

		jurisdictional approaches	supplier risk assessments and analyses as well as managing the responsible sourcing traceability exercise which is performed annually.	as importance to IFF. The threshold of success for recognition on Top Story is selection of the story by the review committee.
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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 Q4 FY 2022 Earnings Press Release - FINAL V3.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.

Row 1

Scope

Company-wide

Commodity coverage

Palm oil

Content

- 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)
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Commitment to best management practices for soils and peat
- 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 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
- Description of forests-related standards for procurement

Document attachment

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

Please explain

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.

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?

Forest risk commodity	Public commitments made
Palm oil	Yes

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

2015

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Sector-wide agreement/recommendation

Commitment target date

2021-25

Please explain

IFF's Sustainable Palm Oil Policy outlines our commitment to source from deforestation- and conversion-free palm oil supply chains and continue to support the RSPO as a mechanism to mainstreaming sustainable palm oil. Specifically, we will source exclusively from RSPO members and source 100% physical certified RSPO palm oil, palm kernel oil and their derivatives by 2025, globally. In 2022, we convened an internal

Palm Responsible Sourcing Working Group to discuss and monitor the progress of our workplan and goals across the Company. We partnered with a third-party expert to carry out a customized assessment on palm to increase our visibility into the supply chain. Based on the results of the assessment with our partner, we engaged suppliers that we identified as having areas of opportunity to enhance their good practices within the palm supply chain. We also provided support as needed, such as creating a palm policy for their organization or enhancing their traceability monitoring.

To support the implementation of sustainable palm oil practices in Latin America (Guatemala, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Ecuador and Peru), we are proud to be participants in the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in the region. This program offers the opportunity for donors to support the development of smallholder farmers into sustainable entrepreneurs that meet stringent sustainability criteria. With an emphasis on training local palm oil growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and support sustainable agri-business. The first three-year project under MARIPOSA — a smallholder training program in Honduras called WISSE (Wilmar Supports Sustainable Entrepreneurs) — concluded its third and final year in 2022. In total, 1,666 smallholders were trained on eight sustainability topics. In addition, 352 smallholders are now sustainably certified by RSPO or the International Sustainability & Carbon Certification (ISCC). This represents 65% of the project's original certification goal.

A second palm oil sustainability collaboration program funded by the MARIPOSA initiative, called WISSMA (Wilmar Supports Sustainable Management), was also completed in 2022. Operating in eight Latin American countries and involving six industry associations and 54 suppliers, the project achieved its goal of building alliances, promoting dialogue and strengthening the reputation of Latin American palm oil by meeting stringent sustainability criteria. Going forward, we intend to continue our involvement with the next phase of the program to launch in 2023.

Another example is the financial support that IFF provides to the Sungai Linau Landscape Conservation and Livelihoods Programme (SLP), coordinated by the non-profit group, Proforest. In Sungai Linau, Riau Province, Indonesia — an area 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. As of 2022, we are supporting the village to secure legal protection for nearly 5,000 hectares of village forest (including for strict conservation and community activities, such as non-timber forest products collection or ecotourism). In addition, 356 palm oil smallholders have been trained on Good Agricultural Practices, and four villages have been trained on financial literacy and introduced to fire management and firefighting equipment. The village budget on fire prevention and eradication increased gradually as a result of greater community awareness on its importance. The next steps of this initiative include developing a forest protection and monitoring framework and launching an agroforestry trial to support options for alternative livelihoods for vulnerable or underrepresented groups (i.e., gender based), among many others.

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	<p>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.</p> <p>Since 2021, Responsible Sourcing Committee (RSC) meetings have been 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.</p>

<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>11-15</p>	<p>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. To 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.</p> <p>Our supply chain is broad and complex, and our portfolio has only expanded further following our merger with N&B. As of 2022, we purchased approximately 29,500 different raw materials sourced from an extensive global network of suppliers. In 2022, 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.</p> <p>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.</p>
<p>Financial planning</p>	<p>Yes, forests-related issues are integrated</p>	<p>11-15</p>	<p>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 re-published our Responsible Sourcing Policy, first launched in 2020. This Policy outlines IFF’s</p>

		<p>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.</p> <p>To ensure forest-related issues are embedded in our business strategy, our financial planning efforts include robust investments into the growth of the global certified sustainability palm oil market. These efforts directly align with our approach to addressing forest-related risks and opportunities. IFF plans to continue being a member of the RPSO and providing financial support to smallholders to ensure the market for certified sustainable palm oil continues to grow apace with increasing demand. IFF's global procurement team also embeds our responsible sourcing programming in their purchasing practices, further aligning our financial planning practices with our long-term business plan. 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.</p> <p>Since 2022, the Governance and Corporate Responsibility Committee meetings have been 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 2022 and beyond. In, 2022 a key financial decision the committee was to approve the procurement of book and claim credits to cover non-certified palm volumes.</p>
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F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2021

Target coverage

Product level

Target category

Engagement with direct suppliers

Metric

% of direct suppliers engaged

Traceability point

Third-party certification scheme

Base year

2013

Base year figure

0

Target year

2021

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

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.

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

Year target was set

2021

Target coverage

Product level

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Mill

Third-party certification scheme

Base year

2018

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

89

% of target achieved relative to base year [auto-calculated]

89

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Description of Target

100% of palm materials (by volume) are traceable beyond IFF's Tier 1 supply chain by 2025, with visibility of third-party verification (RSPO certification) of commitment towards no deforestation.

Please Explain

In 2022, IFF conducted a palm oil supply chain mapping study with our partner Proforest. The study covered the top 97.2% of 2022 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 2023, 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

Year target was set

2021

Target coverage

Product level

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO (any type)

Base year

2021

Base year figure

60

Target year

2025

Target year figure

100

Reporting year figure

61

% of target achieved relative to base year [auto-calculated]

2.5

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Description of target

Source 100% RSPO-certified volumes by 2025.

Explanation

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 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?	Supply chain coverage	Description of traceability system	Exclusions
Palm oil	Yes	Volume from direct suppliers only	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 97.2% of our total 2022 volume to mills. We could go beyond the mills for part of the volume mapped, reaching out to the plantations. As part of our RSPO goal, IFF only sources RSPO MB from our certified suppliers. In 2022, 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

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	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	Brazil Cambodia Colombia Costa Rica Côte d'Ivoire Ghana Guatemala	97.2

		Honduras Indonesia Malaysia Nigeria Papua New Guinea Philippines Solomon Islands Thailand	
Palm oil	Not traceable		2.8

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
Palm oil	Yes	100

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

% of total production/consumption volume certified

23.3

Form of commodity

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

Volume of production/ consumption certified

25,073.48

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

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. Progress toward our goal to source 100% physical certified RSPO palm oil: 61.6% physical certified RSPO (MB, SG); 38.4% RSPO Book and Claim Credits.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

38.3

Form of commodity

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

40,155.42

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

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. Progress toward our goal to source 100% physical certified RSPO palm oil: 61.6% physical certified RSPO (MB, SG); 38.4% RSPO Book and Claim Credits.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used

% of total production/consumption volume certified

38.4

Form of commodity

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

Volume of production/ consumption certified

40,914.4

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

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. Progress toward our goal to source 100% physical certified RSPO palm oil: 61.6% physical certified RSPO (MB, SG); 38.4% RSPO Book and Claim Credits.

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	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

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 since 2020 to conduct a palm oil supply chain mapping study. The study over the 2022 volumes covered the top 97.2% of palm oil volumes. Proforest, in partnership with IFF, contacted the suppliers to collect data and investigate their supply chains. The 2022 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

61-70%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage
Suspend & engage
Exclude

% of non-compliant suppliers engaged

100%

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

 ERM CVS-Assurance Statement for IFF 2023 CDP Forests.pdf

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	
Palm oil	Yes, from suppliers

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. The program utilizes our legal and regulatory teams, internal and external assessment tools, and industry and local partners. 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 forest-related risks are a part of our company-wide enterprise risk management program, which are verified by an external consultant. 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
Ghana
Guatemala
Honduras
Indonesia
Malaysia
Nicaragua
Nigeria
Panama
Papua New Guinea
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
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	7,534	IFF provides financial support to the Sungai Linau Landscape Conservation and Livelihoods Programme (SLP), coordinated by the non-profit group, Proforest. In Sungai Linau, Riau Province, Indonesia — an area 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. As of 2022, we are supporting the village to secure legal protection for nearly 5,000 hectares of village forest (including for strict conservation and community activities, such as non-timber forest products collection or ecotourism). In addition, 356 palm oil smallholders have been trained on Good Agricultural Practices, and four villages have been trained on financial literacy and introduced to fire

			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	management and firefighting equipment. The village budget on fire prevention and eradication increased gradually as a result of greater community awareness on its importance. The next steps of this initiative include developing a forest protection and monitoring framework and launching an agroforestry trial to support options for alternative livelihoods for vulnerable or underrepresented groups (i.e., gender based), among many others.
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F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Capacity building
 Financial and commercial incentives
 Innovation and collaboration

Details of engagement

Investing in pilot projects
 Paying higher prices linked to best agricultural practices
 Financial incentives for certified products
 Collaborate with suppliers on innovations to reduce forest-related impacts in products and services

Description of engagement

To support the implementation of sustainable palm oil practices in Latin America, we are proud to be participants in the MARIPOSA crowdfunding initiative, led by IFF's direct supplier, Olenex, one of the largest buyers of palm oil in the region. This program offers the opportunity for donors to support the development of smallholder farmers into sustainable entrepreneurs that meet stringent sustainability criteria. With an emphasis on training local palm oil growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and support sustainable agri-business. The first three-year project under MARIPOSA — a smallholder training program in Honduras called WISSE (Wilmar Supports Sustainable Entrepreneurs) — concluded its third and final year in 2022. In total, 1,666 smallholders were trained on eight sustainability topics. In addition, 352 smallholders are now sustainably certified by RSPO or the International Sustainability & Carbon Certification (ISCC). This represents 65% of the project's original certification goal.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Our engagement in the MARIPOSA crowdfunding initiative, led by our direct supplier Olenex, has had some impact on the selected action of ending deforestation and/or conversion of other ecosystems. Through financial and commercial incentives, we have supported the funding of sustainability programs and training for local palm oil growers and processors.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 3

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Developing or distributing supply chain mapping tool
 Supplier questionnaires on environmental and social indicators

Description of engagement

We partnered with a third-party company, Proforest, to map out the suppliers representing the top 97.2% of our total 2022 volume to mills. The remaining 2.8% represent a very long-tail volume and could not be mapped due to operational limitations. Therefore, the company decided to prioritize the top 97.2% volume for being the strategic portion of it. The mapping process was implemented by sending 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 tier 1 suppliers was new compared to last year. We have a partial mapping of the tier 2 suppliers this includes the refineries that supply the suppliers. We indicate a partial mapping as the availability of this data is inconsistent across suppliers.

Explain the impact of your engagement on the selected action

Our engagement encourages our suppliers to cascade our requirements, presented by our Sustainable Palm Oil Policy, to through their upstream.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)
 Target 2

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?	
Row 1	Yes, we engage in landscape/ jurisdictional approaches

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	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Opportunity for increased human well-being in area	These selected criteria for prioritizing landscapes/jurisdictions for engagement are in line

Opportunity to protect and restore natural ecosystems Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of human rights issues Supply of commodities strategically important	with of our Sustainable Palm Oil Policy, publicly available in our website.
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F6.10b

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

Landscape/Jurisdiction ID

LJ1

Country/Area

Indonesia

Name of landscape or jurisdiction area

Sungai Linau

Types of partners engaged in the initiative design and implementation

National government
 Subnational government
 Local communities
 Local producers/smallholder
 International company(ies)
 National/local company(ies)
 Direct supplier(s)
 Indirect supplier(s)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Improved rate of carbon sequestration (e.g., through restoration)
 Carbon offsetting
 Reduced emissions from land use change and/or agricultural production
 Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
 Forest fires monitored and prevented
 Increased and/or maintained protected areas
 Natural ecosystems conserved and/or restored
 Decreased ecosystem degradation rate

Respect, protect, and fulfil human rights
Improved business models that enable inclusion (including smallholders)
Improved capacity for community engagement in multi-stakeholder processes
Increased rate of employment in rural economy
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach
Implementation of livelihood activities/practices that reduce pressure on forests

Company actions supporting approach

Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)
Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)
Support indigenous peoples and local communities to clarify and secure land tenure rights

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.

As of 2022, we are supporting the village to secure legal protection for nearly 5,000 hectares of village forest (including for strict conservation and community activities, such as non-timber forest products collection or ecotourism). In addition, 356 palm oil smallholders have been trained on Good Agricultural Practices, and four villages have been trained on financial literacy and introduced to fire management and firefighting equipment. The village budget on fire prevention and eradication increased gradually as a result of greater community awareness on its importance. The next steps of this initiative include developing a forest protection and monitoring framework and launching an agroforestry trial to support options for alternative livelihoods for vulnerable or underrepresented groups (i.e., gender based), among many others.

Engagement start year

2021

Engagement end year

Please specify
2024

Estimated investment over the project period (currency)

132,300

Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

Proforest, an NGO, monitors and reports the progress the participant companies.

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.

Landscape/Jurisdiction ID

LJ2

Country/Area

Honduras

Name of landscape or jurisdiction area

Latin America region, involving 8 countries: Guatemala, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Ecuador and Peru.

Types of partners engaged in the initiative design and implementation

Local communities
Local producers/smallholder
International company(ies)
National/local company(ies)
Direct supplier(s)
Indirect supplier(s)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Improved rate of carbon sequestration (e.g., through restoration)
Carbon offsetting

Reduced emissions from land use change and/or agricultural production
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Forest fires monitored and prevented
Decreased ecosystem degradation rate
Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach

Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)
Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)
Collaborate on commodity traceability

Description of engagement

We support the MARIPOSA crowdfunding initiative, led by IFF's supplier, Olenex, one of the largest buyers of palm oil in the region. This program offers the opportunity for donors to support the development of smallholder farmers into sustainable entrepreneurs that meet stringent sustainability criteria. With an emphasis on training local palm oil growers and processors (mills), MARIPOSA raises funds to finance sustainability programs in Latin America and support sustainable agri-business. The first three-year project under MARIPOSA — a smallholder training program in Honduras called WISSE (Wilmar Supports Sustainable Entrepreneurs) — concluded its third and final year in 2022. In total, 1,666 smallholders were trained on eight sustainability topics. In addition, 352 smallholders are now sustainably certified by RSPO or the International Sustainability & Carbon Certification (ISCC). This represents 65% of the project's original certification goal.

A second palm oil sustainability collaboration program funded by the MARIPOSA initiative, called WISSMA (Wilmar Supports Sustainable Management), was also completed in 2022. Operating in eight Latin American countries and involving six industry associations and 54 suppliers, the project achieved its goal of building alliances, promoting dialogue and strengthening the reputation of Latin American palm oil by meeting stringent sustainability criteria. Going forward, we intend to continue our involvement with the next phase of the 16 Currently undergoing third-party assurance program to launch in 2023.

Engagement start year

2021

Engagement end year

Please specify
2022

Estimated investment over the project period (currency)

20,000

Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

Wilmar manages, monitors and report progress to the participant companies.

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.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	40
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	15

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; Palm Oil Collaboration Group (POCG); UEET; TFS

Please explain

We are active members of several sustainability-focused organizations, including several that focus on palm oil. IFF is leading member of Roundtable on Sustainability Palm oil (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. RSPO Members represent all stages of the palm oil supply chain in the world's largest oil palm producing countries and regions. RSPO Members drive RSPO policies and key decisions to help achieve our shared vision of transforming markets to make sustainable palm oil the norm. 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. From a general sustainability standpoint, we are active members of several sustainability-focused organizations. We also 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

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 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

Please explain

IFF indirectly engages with policymakers and governments through our partnership with the World Wildlife Federation (WWF). WWF seeks to support the production and use of sustainable palm oil by collaborating with businesses, governments of producing and consuming countries, financial institutions, NGOs and consumers. WWF interventions span across all palm oil producing regions, including Southeast Asia, and Central and South America, as well as all major palm oil consumption markets.

F6.12

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

Yes

F6.12a

(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

Expected benefits of project

Improvement of standard of living, especially for vulnerable and/or marginalized groups
Improvement to sustainability of production practices

Is this project originating any carbon credits?

No

Description of project

In 2021 and 2022 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.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2021

Target year

2023

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Honduras

Latitude

15.2

Longitude

86.2419

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

20,000

For which of your expected benefits are you monitoring progress?

Improvement of standard of living, especially for vulnerable and/or marginalized groups
Improvement to sustainability of production practice

Please explain

We invest 10,000 dollars per year.
The project manager publishes progress reports on a quarterly basis.

Project reference

Project 2

Project type

Agroforestry

Expected benefits of project

Improvement of standard of living, especially for vulnerable and/or marginalized groups
Improvement to sustainability of production practices
Protection of human rights
Reduce/halt biodiversity loss
Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

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.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2020

Target year

2024

Project area to date (Hectares)

5,000

Project area in the target year (Hectares)

14,000

Country/Area

Indonesia

Latitude

1.232

Longitude

101.99

Monitoring frequency

Annually

Total investment over the project period (currency)

132,300

For which of your expected benefits are you monitoring progress?

- Improvement of standard of living, especially for vulnerable and/or marginalized groups
- Improvement to sustainability of production practice
- Protection of human rights
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)

Please explain

- We will invest a total of 104,000 GBP along three years.
- The project manager publishes progress reports on an annual basis

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 physical certified palm oil, palm kernel oil and their derivatives through Identity Preserved, Segregated, Mass Balance supply chain models sourced in 2022 [%]

Verification standard

ISAE 3000

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 2022 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 29,500+ 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. IFF has limited leverage in influencing markets. We rely on 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. Sourcing and financial challenges may arise due to the demand for certified sustainable palm oil exceeding availability. This could impact the market and potentially effect IFF's ability to procure certified palm oil. IFF will need to continue to strategically navigate through these challenges in order to achieve our palm oil to achieve our 2025 and beyond deforestation goals that have been set forth and outlined in IFF's 2022 Do More Good Report as well as in our Sustainable Palm Oil Policy. This will be done through partnership with IFF's responsible sourcing team and IFF's Global sourcing and supply chain departments.

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 29,500+ 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. IFF has limited leverage in influencing markets. We rely on 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

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 63% of IFF business critical suppliers in 2022 was with suppliers assessed through EcoVadis or Sedex. 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

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. A key measure in managing IFF's exposure to deforestation is the availability and cost of certified sustainable palm oil. Availability and cost of certified sustainable palm oil is measured to understand the implications of managing exposure to deforestation as it relates to IFF business strategy, sustainability commitments and global procurement practices.

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.

 ERM CVS-Assurance Statement for IFF 2023 CDP Forests.pdf

 iff-2022-esg-report-r7.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)