



## RESPONSIBLE SOURCING POLICY

**Policy Owner:** Procurement and Global Sustainability

**Effective Date:** May 29, 2024

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### I. SUMMARY

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

### II. APPLICABILITY & SCOPE

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

This Policy and other relevant policies and procedures set a minimum standard that must be followed. Where local laws, regulations or rules are not aligned with international standards (i.e., where they provide less protection, for example), the international standards that offer the greatest protection for workers should be followed.

The scope of the Policy includes the sourcing of all raw materials, goods and services purchased by IFF Procurement. The expectations set forth in this Policy apply to all Suppliers in our businesses globally, and we expect them to cascade these expectations to their respective supply chains (Tier 2 and beyond).

### III. DEFINITIONS

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

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

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

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

**Indirect Suppliers:** Any person(s) or organization providing services and goods not considered raw materials.

**KPI:** Key performance indicators.

**Suppliers:** IFF's Direct and Indirect Suppliers.

#### IV. POLICY INTRODUCTION

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

To that end, we embrace industry partnerships, customer engagements and customized solutions to address complex supply chain sourcing challenges. We cannot do this alone and we rely on strong relationships with our Suppliers to share responsibility in building transparent and ethical supply chains together.

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

#### V. RESPONSIBLE SOURCING AT IFF

IFF's Responsible Sourcing program seeks to ensure ethical practices throughout our supply chain, while reducing impact to the environment and supporting workers and grower communities.

We expect our Suppliers to:

- **Comply with IFF's Vendor Code of Conduct, which sets forth the basic requirements a vendor must meet in order to maintain a business relationship with IFF.**
  - The [Vendor Code of Conduct](https://www.iff.com/portfolio/commercial-excellence-center/global-procurement) is available in multiple languages on IFF's website at <https://www.iff.com/portfolio/commercial-excellence-center/global-procurement>.
- **Support traceability of raw materials by establishing robust processes and systems.**
  - Sourcing responsibly requires that IFF accurately traces the origins of the materials we purchase. Traceability helps to ensure responsible practices, respect for the environment and respect for the people and communities in our supply chains.
  - In support of our traceability commitment, Suppliers are expected to take ownership and responsibility for IFF requests for ingredient

sourcing details, including adhering to the requirements of the EU Deforestation Act.

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

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

- **Respect the human rights, health and safety of workers, smallholders, local communities and indigenous peoples.**

Our approach to respecting human rights is outlined in IFF's [Global Human Rights Policy](#) and the [Vendor Code of Conduct](#).

We expect our Suppliers to collaborate with us to ensure the following:

- No child labor within own operations and supply chain.
- No forced or compulsory labor. Human trafficking and debt bondage are not allowed, and ethical recruitment practices are followed.
- Rights of employees/workers to freely associate and bargain collectively in a legal, ethical and safe way are respected.
- Workplaces are safe and healthy.
- No abusive practices or undue disciplinary procedures occur.

- Working hours are lawful. Overtime hours shall not exceed the limits established in national law or under collective agreements and shall be limited to what is necessary to ensure the health and safety of workers. Workers are given time off, breaks and appropriate leaves in accordance with local laws and ILO standards.
- Wages and benefits are fair and adequate. Wages and benefits for standard hours, excluding overtime, should meet national minimum requirements.
- The principles of equality of opportunity are followed, ensuring no discrimination against workers on the grounds of race, gender, age, religion, political opinion, disability, sexual orientation, religion, union membership, or ethnic social, cultural or national origin. Challenges faced by women, people facing higher risks and marginalized groups are specifically taken into consideration and addressed according to relevant international standards.
- The rights and title to property and land of the individual, indigenous people and local communities are respected.
- Rights of indigenous people, local communities and others who may be impacted by companies' activities are respected, including their entitlement to Free, Prior and Informed Consent (FPIC). This is done in a culturally appropriate manner, in accordance with the traditions, norms and values of these peoples and communities, and through the representatives and institutions they choose. If private or public security forces are hired for the security of company workers, security forces follow responsible conduct.

Furthermore, we strongly encourage our Suppliers to:

- Adopt their own commitment or policy to respect human rights.
  - Develop an ongoing human rights due diligence process to identify, prevent and mitigate potential impacts in their supply chains and own operations.
  - Provide grievance mechanisms to enable workers and affected stakeholders to raise issues without fear of retaliation and ensure these channels are widely communicated.
  - Take appropriate action to remedy negative human rights impacts where they occur.
- **Disclose and share details of own operations through third-party programs upon request.**

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

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

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

- Develop and implement corrective action plans for gaps identified through assessments and audits.
- We expect our Suppliers to take a collaborative approach when creating and closing continuous improvement plans, including providing information about the status of action plans as and when needed, to support our reporting requirements.
- If we discover any allegations of a noncompliance with our standards as set out in this Policy and the Vendor Code of Conduct, we expect our Suppliers to respond promptly and transparently to any information requests and to cooperate in the investigation if required. Additionally, if our Suppliers discover any issues with regards to compliance with this Policy within their own operations or supply chain, we expect them to report it to us promptly.
- We encourage our Suppliers to be transparent about supply chain challenges so we can work towards identifying and implementing practical solutions together.

## VI. POLICY IMPLEMENTATION

To implement this Policy, IFF is committed to taking actions, as applicable, when gaps or instances of noncompliance are identified. We will work with our Suppliers to

stop, mitigate and prevent any issues identified. The steps we take may include, but are not limited to:

- Ensuring that Supplier practices are aligned with this Policy through audits, assessments and grievance mechanisms, as well as close collaboration with our Suppliers.
- Providing targeted training to Suppliers to support their implementation of this Policy.
- Working with Suppliers on corrective action plans to stop, mitigate and prevent impacts for instances of noncompliance with this Policy. In severe cases, where aligning with business priorities and considering the risks, we may terminate the business relationship if no remediation action plan is implemented or if the impact is too severe to remediate.
- Taking appropriate remediation, prevention and mitigation actions if IFF has been directly linked (i.e., where IFF has caused or contributed) to a negative impact in our supply chain.
- Providing targeted and proportionate support to our small- and medium-sized Suppliers to implement this Policy and any continuous improvement plans through individual or collective actions.
- Monitoring and reporting regularly, transparently and publicly on our progress via our [website](#) and annual reporting, using key performance indicators.
- Reviewing this Policy and implementation plans against targets and actions in the areas outlined above.

## VII. BEYOND OUR STANDARD

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

- **Third-Party Certifications**

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

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

- EcoCert For Life program – learn more [here](#).
- Fair Wild program for wild harvesting – learn more [here](#).
- Union for Ethical BioTrade (UEBT) – learn more [here](#).
- Roundtable for Sustainable Palm Oil (RSPO) – learn more [here](#).
- Round Table on Responsible Soy – learn more [here](#).
- The ProTerra Standard – learn more [here](#).

- Rainforest Alliance – learn more [here](#).
- Forest Stewardship Council (FSC) – learn more [here](#).
- Programme for the Endorsement of Forest Certification (PEFC) – learn more [here](#).
- Farm Sustainability Assessment (FSA) from the Sustainable Agriculture Initiative (SAI) – learn more [here](#).

- **Community & Biodiversity Programs**

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

For examples of our community and biodiversity programs, visit IFF's latest ESG+ / Sustainability Report, or past archived reports, in our [Report Library](#).

- **Supply Chain Disclosures**

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

- **Supplier Diversity Program**

We promote diversity within our supply chain and expect our Suppliers to do the same. One key objective of IFF's inclusive supply chain principles is to identify, develop and utilize certified diverse businesses<sup>1</sup> that can enhance our competitive advantage and provide innovative and cost-effective products and services for us and our customers. We globally recognize certifying organizations of diverse suppliers, which include, **but are not limited to**:

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

We encourage our Suppliers to join us in this endeavor by adding diverse businesses to their supply chain, setting up their own supplier diversity programs and reporting to IFF their own spend with diverse companies, which we refer to as Tier 2 Diverse Spend.

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<sup>1</sup> Diverse businesses refer to businesses owned, controlled and operated by diverse persons. The definition of diverse persons varies in different countries. For example, in the United States, a "diverse business" is a company that is certified to be at least 51%-owned, -operated and -controlled by one or more minority, woman, LGBTIQ+ person, person with a disability, veteran, service-disabled veteran, or aboriginal or indigenous person.

## VIII. WHERE TO GO FOR HELP

If you have questions about this Policy, please contact a member of IFF's [Procurement](#) team or Global Sustainability team (sustainability@iff.com).

Incidents or concerns with respect to, or related to, IFF's operations involving a violation of this Policy, can be reported to IFF's Ethics & Compliance SpeakUp Hotline, <http://iff.com/speakup>, or IFF's Global Ethics & Compliance team at [compliance@iff.com](mailto:compliance@iff.com).

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

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

## IX. REFERENCE DOCUMENTS

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

- [IFF Vendor Code of Conduct](#)
- [Sustainable Palm Oil Policy](#)
- [Sustainable Soy Policy](#)
- [IFF Global Human Rights Policy](#)
- [IFF Slavery and Human Trafficking Statement](#)

## X. DOCUMENT HISTORY

Issue Date	Version	Description for Changes
9 Nov 2020	1.0	<b>Initial release.</b> This is a new policy on responsible sourcing.
5 Nov 2021	1.5	<b>Annual review.</b> Revised policy for IFF post-merger activities.
29 May 2024	2.0	<b>Updated release.</b> Revised policy based on new regulations such as the EU Regulation on Deforestation Free Products (EUDR) . Added section on policy implementation, enhanced sections on human rights and supplier noncompliances.