

2015 SUSTAINABILITY REPORT

Creating a Sustainable Future

IFF

Performance Highlights

We committed to:



COP 21 Paris Climate Change agreement



United Nations Global Compact



Papal encyclical, a case for business action on climate change



American Business Act on Climate Pledge

We achieved:



Achieved 100 and an "A", by CDP for carbon performance and disclosure



For Life certifications for several naturals

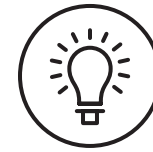


RSPO certifications for multiple facilities



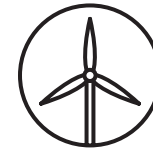
EcoVadis Gold CSR Rating

2020 Environmental Sustainability Goals



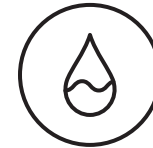
Reduce energy use by 20%

-12.2%



Reduce GHG emissions by 25%

-17.8%



Reduce water use by 50%

-39.5%



Reduce hazardous waste by 25%

-16.8%

Reduced greenhouse gas emissions intensity by 7% in 2015

We initiated partnerships with:



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V FROM OUR CHAIRMAN**



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**MATERIALITY & STAKEHOLDER
ENGAGEMENT**



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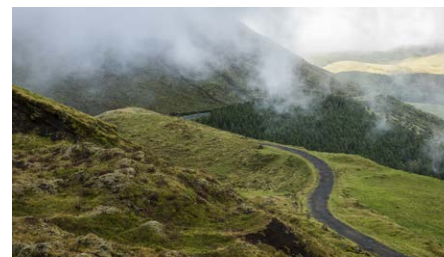
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Creating a Sustainable Future

A Message from our Chairman

IFF advances to meet the needs of today while embracing our role as stewards of tomorrow. We boldly push our commitment to sustainability by challenging our own boundaries. 2015 was a testament to our progressiveness and forward-thinking as sustainable leaders within our industry. In addition to the advancements we made within our own business, we collaborated with like-minded partners in support of a more sustainable, unified future. In this landmark year, we executed with inspiration and perseverance against our 2011 strategy and advanced it to the next phase. This was particularly evident when we established sustainability as an enabler of our Vision 2020 business strategy, embedding sustainability deeper into our company and throughout our culture.



From Our Chairman

CONTINUED

Our four strategic pillars — sourcing, impact, products and people — help steer our efforts to address the global trends that affect us all. Climate change, water scarcity, increasing world populations and the health and wellness needs of millions touch our business, employees, customers and consumers. Globally, with the enhanced focus on healthy products and responsible sourcing practices, we are working to transform these trends into opportunities. Last year, we achieved the CDP Climate “A” List rating with a perfect score of 100 in disclosure and an “A” in performance. Additionally, we attained gold status with EcoVadis, a corporate social responsibility rating system that assesses suppliers in sustainable business practices.

IFF was not the only one who had a landmark year. The global community made great strides at the 2015 Paris Climate Conference (COP21). I attended the World Business Council for Sustainable Development (WBCSD) forum at the Paris Climate Conference to demonstrate IFF’s support and stood with nearly 200 other leading businesses. Along with a

cross-section of the world’s prominent business, political and NGO leaders, we celebrated the approval of a comprehensive worldwide climate agreement. By formalizing IFF’s support on this vital measure, we added this partnership to the cadre of significant initiatives we joined this past year, including the United Nations Global Compact and the American Business Act on Climate Pledge.

It is my belief that as industry leaders, we have an unyielding commitment to the Earth. In 2015, we reaffirmed our commitment to renewable energy — notably and formally with our support of RE100, a collaborative, global initiative of influential businesses committed to 100% renewable electricity. In addition to having the largest solar array in the flavors and fragrances industry in Hazlet, New Jersey, we broke ground on the industry’s first on-site wind turbine at our Tilburg, Netherlands facility. Once completed, the windmill is estimated to provide up to 30 percent of the site’s electricity needs — and when combined with the green electricity we are purchasing, Tilburg will be powered on 100 percent green electricity by mid-2016.

We also further enhanced our sustainable sourcing practices. We pioneered industry-leading membership in the Together for Sustainability sourcing initiative and earned For Life social responsibility certification for our naturals: ylang-ylang, patchouli and basil from Madagascar, and vetiver from Haiti. We progressed our 2020 sustainability goals by obtaining Roundtable on Sustainable Palm Oil process certification at many of our facilities, and achieving year-over-year company-wide reductions in our water use, energy use and greenhouse gas emissions intensities.

Yet, it is only through the engagement of our employees that these achievements are realized. Our safety performance has steadily improved - with our total recordable incident rate decreasing each year since 2011. Our Green Teams are active at every manufacturing facility — and a number of our creative centers — and fuel our passion for advancement by putting action behind our aspirations. I thank them deeply for their efforts.

At IFF, our pioneering spirit helps us answer the questions of tomorrow, and inspires a limitless vision on our ability to lead transformational change. This will continue in 2016 with the launch of a more ambitious sustainability vision that will reinforce our growth and acceleration within our environmental framework. As with all aspects of business, evolution is the only true option — and our work in sustainability is no different. Yes, being environmentally responsive makes good business sense, but even more than that — it is the right thing to do.

ANDREAS FIBIG

CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

GRI INDICATORS

G4-1 Statement from the most senior decision-maker of the organization.

About IFF



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Organizational Profile

International Flavors & Fragrances Inc. (IFF) is a leading global creator of flavors and fragrances (including cosmetic active ingredients) that are used in the food, beverage, personal care and household products industries. Our flavors and fragrance compounds combine a number of ingredients that are blended, mixed or reacted together to produce proprietary formulas created by our flavorists and perfumers.

IFF is headquartered at 521 West 57th Street, New York, New York, U.S.A. Detailed information about the scale of our organization and our operational structure, markets served and geographical footprint is available in our 2015 Annual Report and U.S. Securities and Exchange Commission (SEC) Form 10-K.

GRI INDICATORS

- G4-3** Report the name of the organization.
- G4-4** Report the primary brands, products and services.
- G4-5** Report the location of the organization's headquarters.
- G4-7** Report the nature of ownership and legal form.



Our Operating Footprint

The flavors and fragrances market is part of a larger market that supplies a wide variety of ingredients and compounds used in consumer products. On the flavors side, the products for which we supply ingredients and compounds include savory packaged foods, such as soups, sauces, condiments, prepared meals, meat and poultry, potato chips and other savory snacks; beverages, including juice drinks, carbonated beverages, flavored waters and spirits; sweet goods, including bakery products, candy, chewing gum and cereal; and dairy products, including yogurt, ice cream, cheese and other products. On the fragrances side of the business, consumer fragrances include fabric care items such as detergent, fabric softener and specialty laundry products; home care products, are used in household cleaners, dishwashing detergents and

air fresheners; personal wash, including bar soap and shower gel; as well as toiletries and hair care products. We design and create many fine fragrance compounds, where the product we create is directly experienced by consumers and is not part of a larger formulation. We also source and distill natural fragrance ingredients and create and commercialize other synthetic fragrance ingredients for use in our own formulations or for sale to the larger market. In 2015, we acquired Lucas Meyer Cosmetics, which expanded our business into that of cosmetic active ingredients. We sell our products to many global, regional and local manufacturers.

The global market for flavors and fragrances has expanded consistently, primarily as a result of an increase in demand for, as well as an increase in the variety of, consumer products containing flavors and fragrances. The flavors and fragrances markets in which we compete were estimated by IFF management to be \$18.0 billion in 2014, and are forecasted to grow to approximately \$21.6 billion by 2019, primarily driven by expected growth in emerging markets. The active cosmetics industry is a \$1.5 billion market, growing approximately 5 percent annually.

We operate in two business segments, Flavors and Fragrances. In 2015, our Flavors business represented 48 percent of our sales, while our Fragrances business represented 52 percent of sales. For more information, see Item 1 of our [2015 Annual Report](#) and [SEC Form 10-K](#).

GRI INDICATORS

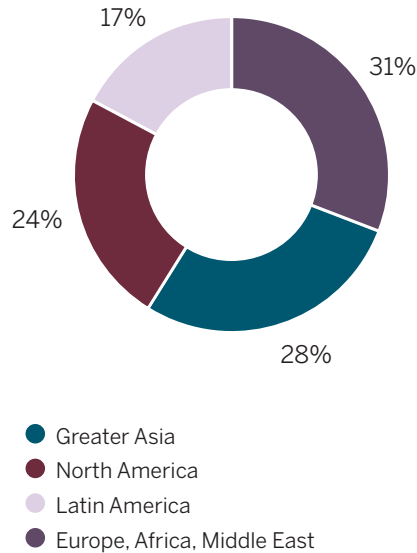
- G4-8** Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).
- G4-6** Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.
- G4-9** Report the scale of the organization, including:
 - Number of employees worldwide
 - Total number of operations
 - Net sales
 - Total capitalization broken down in terms of debt and equity
 - Quantity of products or services provided

Our Operating Footprint

CONTINUED

Our Markets

As of the end of 2015, our organization had approximately 6,700 employees, 34 manufacturing facilities, six R&D centers and 33 creative centers, located in 35 countries. Our 38,000 individual products reach customers in approximately 150 countries. In 2015, we achieved sales of approximately \$3.0 billion, making us one of the top four companies in the global flavors and fragrances sub-segment of the broader ingredients and compounds market. Within the flavors and fragrances sub-segment of this broader market, the top four companies represent approximately two-thirds of the total estimated sales.



Our Products

FLAVORS

- Beverages
- Dairy
- Savory
- Sweet

OTHER

- Cosmetic Actives

FRAGRANCES

- Fabric Care
- Fine Fragrance
- Fragrance Ingredients
- Home Care
- Personal Wash
- Hair Care
- Toiletries

8.1% of Sales

Spent on R&D



6,700

Employees Worldwide



3.0 Billion

in Net Sales



\$419 Million

in Net Income



150

Countries in which IFF's Customers' Products Are Sold



Supply Chain

We have an integrated supply chain from raw material sourcing through manufacturing, quality assurance, regulatory compliance and distribution, which permits us to provide our customers with consistent quality products on a timely and cost-effective basis.

We use both natural and synthetic ingredients in our compounds. We purchase approximately 9,000 different raw materials from about 2,500 domestic and international suppliers. Approximately half of the materials we purchase are naturals or crop-related items and the other half are synthetics or chemicals. Natural ingredients are derived from flowers, fruits and other botanical products as well as from animal products. More information about our supply chain is available in our [SEC Form 10-K](#) and in the [Our Supply Chain](#) section later in this report.

GRI INDICATORS

G4-12 Describe the organization's supply chain.

G4-13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain.

Expanding Our Business

We believe that our diversified business platform, consisting of expansive geographic coverage, a broad product portfolio and a global and regional customer base, positions us to achieve long-term growth as the flavors and fragrances markets expand.

In 2015, we acquired Lucas Meyer Cosmetics, which allowed us to add to our portfolio active and functional ingredients, botanicals and delivery systems to support our customers' cosmetic and personal care product lines. We estimate the market size for cosmetic active ingredients to be approximately \$1.5 billion as of 2015.

We also acquired Ottens Flavors, which has strengthened our flavors market position in North America and increased our capabilities to serve small and mid-sized customers.

We believe that our diversified business platform positions us to achieve long-term growth as the flavors and fragrances markets expand.

External Partnerships and Voluntary Initiatives

We are members of several trade organizations and associations.

These include:

- American Chemical Society
- American Cleaning Institute
- American Society of Perfumers
- Association for Chemoreception Sciences
- Fragrance Foundation (serve on board)
- International Fragrance Association (serve on board)
- International Fragrance Association — North America (serve on board)
- International Organization of the Flavor Industry (serve on Communications board)
- Monell Chemical Senses Center
- Research Institute for Fragrance Materials (serve on board)

We also engage in the following environmental and sustainability-related organizations and partnerships:

- Clean the World
- EcoVadis
- Natural Resources Stewardship Circle
- Renewable Citrus Products Association
- Roundtable on Sustainable Palm Oil
- Sedex
- World Business Council for Sustainable Development
- AIM-PROGRESS
- Together for Sustainability
- UN Global Compact

GRI INDICATORS

G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.

G4-16 List memberships of associations (such as industry associations) and national or international advocacy organizations.



Materiality and Stakeholder Engagement

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Materiality and Stakeholder Engagement

Emerging issues that are important to our stakeholders form the basis for the content of this sustainability report, consistent with the Global Reporting Initiative (GRI) G4 guidelines for determining materiality.

In 2011, we conducted a formal materiality assessment to better understand the sustainability issues that impact our business — these were used to develop our sustainability strategy. We refreshed the assessment in 2014 by working with an external consultancy to elicit feedback from our stakeholders on our sustainability performance. As part of this process, we surveyed internal stakeholders, including members of our senior leadership team, our Sustainability Business Council and representatives from our Flavors and Fragrances business units, and external stakeholders including customers, nongovernmental organizations and regulatory bodies.

We also conducted in-depth interviews with key customers to better understand their sustainability needs and expectations of our business. The assessment allowed us to prioritize issues based on their importance to our business and society business and society, as illustrated in the matrix on the following page.

The material issues we identified during this process have informed

our core strategy to this point, and emerging issues will continue to shape our strategy and activities as we move forward. We will focus our sustainability strategy and reporting on those issues identified as most material, as well as those that are increasing in importance to stakeholders. We are using this materiality assessment to inform our application of the GRI G4 guidelines. We have identified material aspects using the matrix and the GRI Principles for Defining Report Content.

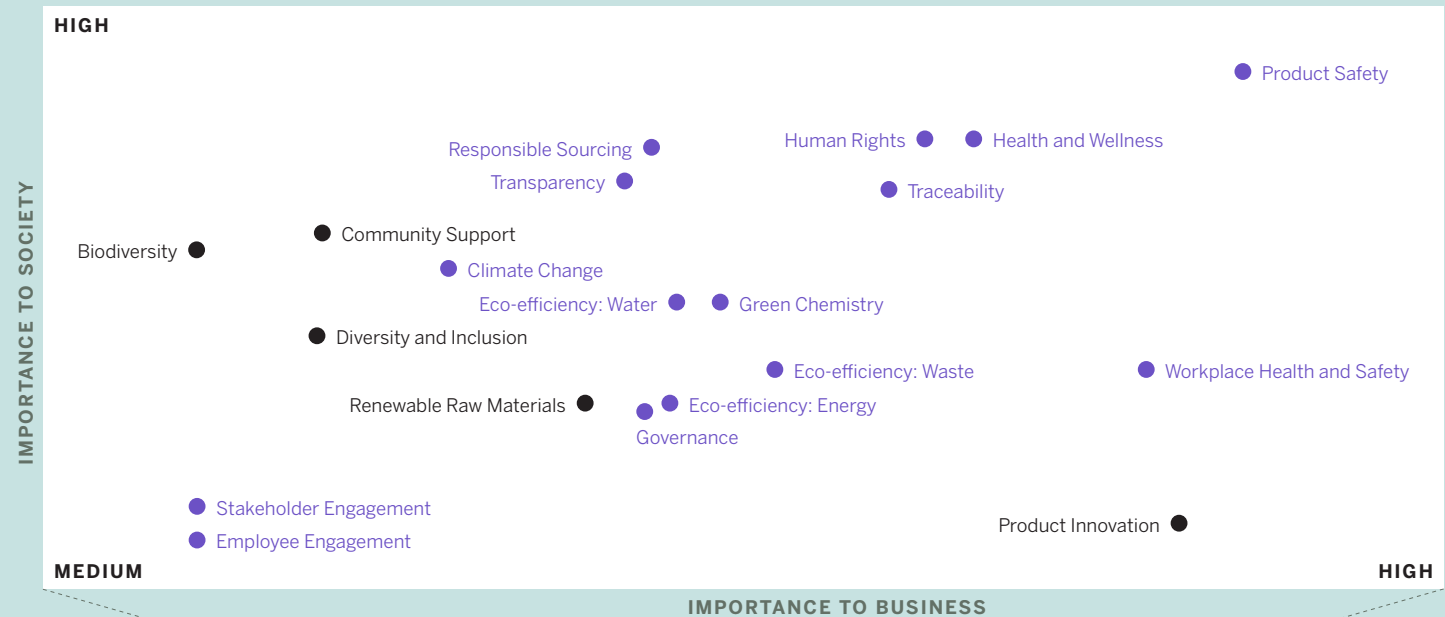
In 2015, we continued to engage internally and externally with our customers and suppliers. We also reviewed the results of materiality assessments conducted by two of our trade associations, the American Cleaning Institute and the International Fragrance Association North America. Based on these studies and on recent events, we will identify additional GRI aspects in the future that may warrant reporting on the associated GRI indicators. We plan to continue to evaluate materiality on a biennial basis to identify new opportunities and risks and to determine our material topics for future reporting.

GRI INDICATORS

G4-18 Process for defining the report content and the Aspect Boundaries.

Materiality

This matrix depicts the issues that were identified as material during our 2014 assessment and their importance to our business and to society. The issues indicated in purple were used to guide our reporting.



HIGH	
LOW	HIGH

GRI INDICATORS

G4-19 Material Aspects identified in the process for defining report content.

Materiality

CONTINUED

ISSUES MATERIAL TO IFF	EQUIVALENT G4 CATEGORY	EQUIVALENT G4 MATERIAL ASPECTS	BOUNDARIES		
			Within IFF	Outside IFF: Our Supply Chain	Outside IFF: Our Customers and Consumers
Governance, Ethics and Society					
Governance	Social: Society	Anti-corruption; Public Policy	●		
	Standard Disclosure	Ethics and Integrity; Governance	●		
Stakeholder Engagement	Standard Disclosure	Stakeholder Engagement	●	●	●
Environment					
Eco-efficiency: Water	Environmental	Water	●		
Eco-efficiency: Energy	Environmental	Energy	●		
Eco-efficiency: Waste	Environmental	Effluents & Waste	●		
Climate Change	Environmental	Emissions	●		
Green Chemistry	Environmental	Energy; Effluents & Waste	●		
Supply Chain					
Responsible Sourcing	Economic	Procurement Practices		●	
	Environmental	Supplier Environmental Assessment		●	
	Social: Human Rights	Child Labor; Forced or Compulsory Labor; Supplier Human Rights Assessment		●	
	Social: Society	Supplier Assessment for Impacts on Society		●	
Traceability	Economic	Procurement Practices		●	
	Environmental	Supplier Environmental Assessment		●	
	Social: Product Responsibility	Product & Service Labeling	●		
	Social: Society	Supplier Assessment for Impacts on Society		●	

ISSUES MATERIAL TO IFF	EQUIVALENT G4 CATEGORY	EQUIVALENT G4 MATERIAL ASPECTS	BOUNDARIES		
			Within IFF	Outside IFF: Our Supply Chain	Outside IFF: Our Customers and Consumers
Labor Practices					
Employee Engagement	Social: Labor Practices and Decent Work	Employment; Training and Education	●		
Workplace Health and Safety	Social: Labor Practices and Decent Work	Occupational Health & Safety	●		
Human Rights					
Human Rights	Social: Human Rights	Child Labor; Forced or Compulsory Labor; Freedom of Association & Collective Bargaining; Human Rights Grievance Mechanisms; Supplier Human Rights Assessment	●	●	
	Social: Labor Practices and Decent Work	Employment; Supplier Assessment for Labor Practices	●	●	
Product Responsibility					
Product Safety	Social: Product Responsibility	Customer Health & Safety; Product & Service Labeling	●		
Health and Wellness	Social: Product Responsibility	Customer Health & Safety	●		●
Transparency	Social: Product Responsibility	Product & Service Labeling	●		

GRI INDICATORS

G4-20 Aspect Boundary within the organization for each material aspect.

G4-21 Aspect Boundary outside the organization for each material aspect.

Engaging with Our Stakeholders

We engage with our stakeholders on issues that are important to them, to our industry and to IFF. We interact with many different types of stakeholders, ranging from employees, customers, investors, regulators, suppliers, consumers, communities and the sustainability community.

Our goal is to collaboratively identify opportunities that benefit our internal and external stakeholders and improve our business. Specific examples of recent engagement are detailed in this section.

GRI INDICATORS

- G4-24** Provide a list of stakeholder groups engaged by the organization.
- G4-25** Report the basis for identification and selection of stakeholders with whom to engage.
- G4-26** Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

- G4-27** Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

Our goal is to collaboratively identify opportunities that benefit our internal and external stakeholders and improve our business.

Engaging with Our Stakeholders

CONTINUED

Employees

IFF informs employees about company strategy, performance, policy and procedures through regular print and electronic communications, town halls and face-to-face meetings. Employees are kept up to date on sustainability issues through a dedicated intranet portal. Green Teams, in place in all of our manufacturing facilities, enable us to embed our global sustainability strategy with our employees locally and on a broad scale. Input from members of our Sustainability Business Council as well as many of our senior leaders is an essential component of our materiality assessment.

Customers

Maintaining dialogue with our customers on sustainability issues is a key part of our sustainability strategy. In 2015, we continued this effort through a series of meetings, surveys, presentations, formal and informal sustainability performance reviews, as well as through participation at

industry events with dedicated sustainability agendas, including the American Cleaning Institute® Annual Meeting & Industry Convention. Customer input is an essential part of our materiality assessment.

Investors

IFF engages with the investor community throughout the year. In addition to quarterly earnings calls, in 2015 we hosted our biannual Investor Day and also participated in several events, including the Consumer Analyst Group Europe conference, the Barclays Back-to-School conference, the Morgan Stanley Global Consumer & Retail Conference, and the J.P. Morgan All Stars Conference. Our Investor Relations team also regularly meets with investors on an individual basis.

Regulators

IFF is a member of the Research Institute for Fragrance Materials, the International Fragrance Association and the International Organization of the Flavor Industry, which are the principal trade associations representing the interests of the global flavors and fragrances industry. We are actively engaged in both global and local trade associations as well as directly with regulators, as applicable, in order to ensure that developing regulations increase both protection to consumers and confidence by governments in our industry. Regulatory inputs were also taken into consideration as part of our materiality assessment.

Suppliers

Relationships with our suppliers are managed by our Global Procurement group, and we continue to leverage global platforms such as Sedex, EcoVadis and Together for Sustainability to facilitate the exchange of information on our sustainability requirements and to assess the performance of our suppliers. Our Quality team monitors our suppliers through periodic audits. Our IFF-LMR Naturals division works directly with growers on research and development projects.

Consumers

Although IFF does not market to consumers directly, our Consumer Research, Consumer Insight and Marketing teams engage with consumers through extensive market research, interpreting key market trends, monitoring product launches and conducting interviews throughout the year.

Engaging with Our Stakeholders

CONTINUED

Communities

IFF is actively involved in the communities in which we operate around the world through a range of localized IFF volunteer and charitable activities, implemented by our sites and addressing the specific needs of local communities.

Sustainability Community

We are actively engaged in several sustainability-focused organizations, including the Environmental, Health, Safety & Sustainability Management Roundtable, the Sustainability Leadership Forum and the Natural Resources Stewardship Circle. In 2015, we joined the World Business Council for Sustainable Development (WBCSD) and confirmed our support of the 10 principles of the United Nations (UN) Global Compact. As part of the WBCSD, our CEO supported a robust agreement at the UN Climate Change Conference (COP21) in Paris.

We continue to contribute to the sustainability community through media outlets and panels on emerging issues. We were the first company in the flavors and fragrances industry to join Together for Sustainability, a sustainable sourcing initiative.

In 2015, we joined the World Business Council for Sustainable Development and confirmed our support of the ten principles of the UN Global Compact.

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Reporting Cycle, Boundaries & Scope

We annually report our sustainability performance in accordance with the GRI's G4 Core Guidelines. This report describes our strategy and performance with respect to environmental, social and governance issues in 2015. A GRI G4 Content Index, cross-referenced with the UN Global Compact principles, is available at the end of this report.

The scope of this report includes facilities owned and operated by International Flavors & Fragrances Inc. during calendar year 2015 and all entities included in IFF's 2015 consolidated financial statements. For more information on our legal entities, see Exhibit 21 of our [2015 SEC Form 10-K](#).

We acquired Aromor Flavors and Fragrances Ltd. in 2014 and Ottens Flavors in 2015. To enable comparisons, prior years' environmental data have been restated to reflect these acquisitions. Lucas Meyer Cosmetics, which we also acquired in 2015, did not have in-house manufacturing operations, so no data will be integrated into our

data set as a result of that acquisition. No significant changes have been made from previous reporting periods in the Scope and Aspect Boundaries.

Financial and governance information, including our annual report and SEC Form 10-K and our proxy statement, is available on our [website](#). Prior years' sustainability reports can also be found on our [website](#).

We have changed the format of our report this year to align more closely with the Global Reporting Initiative. We believe this format lends itself to greater transparency in reporting our sustainability performance.

We believe our new sustainability report format lends itself to greater transparency.

Data Measurement Techniques and Basis of Calculations

We have internal systems in place to ensure consistent and accurate data collection and aggregation from all of our facilities. We conduct quarterly quality assurance/quality control processes to evaluate the reliability of facility-specific and aggregated data. Due to rounding, individual numbers in text, charts, and tables may not sum to the totals shown. The unit of currency used in this report is the U.S. dollar. Several of our data points are reviewed and assured by ISOS Group on an annual basis. See the External Assurance discussion at right for more information. More detailed data measurement techniques with respect to our energy and greenhouse gas (GHG) emissions calculations are provided in the [Environment section](#).

Reporting Process

IFF's annual sustainability report is prepared by our Global Sustainability team and follows a robust content development and review process with key internal stakeholders. The content is based on our sustainability strategy and materiality assessment and is developed through an in-depth consultation process with relevant subject matter experts. The report is then reviewed by representatives from each business function. Feedback is incorporated, and the final draft is reviewed by senior management and our CEO prior to publication.

Feedback

Your comments and suggestions are important to us. To provide feedback on IFF's sustainability performance and our 2015 report, please email sustainability@IFF.com.

External Assurance

ISOS Group, a U.S.-based integrated sustainability consultancy and GRI Certified training partner, has conducted annual third-party assurance of our sustainability report content since 2011. ISOS also reviews our GHG emissions data using ISO 14064-3 and AA1000AS, which are standards that are allowed under Verification of Climate Data (CDP, 2011). ISOS' External Assurance Statement can be found at the end of this report.

As noted above, prior years' data have been restated in this year's report to reflect the acquisition of Aromor Flavors and Fragrances Ltd. and Ottens Flavors in 2014 and 2015, respectively. As such, it is important to note that this year's assurance process included the 2015 data only and that prior years' restated data have not been assured.

GRI INDICATORS

- G4-17** Entities in financial statements.
- G4-22** Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.
- G4-23** Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.
- G4-28** Reporting period (such as fiscal or calendar year) for information provided.
- G4-29** Date of most recent previous report (if any).
- G4-30** Reporting cycle (such as annual, biennial).
- G4-32** Report the "in accordance" option the organization has chosen.
- G4-31** Contact point for questions regarding the report or its contents.
- G4-33** Organization's policy and current practice with regard to seeking external assurance for the report.

Governance



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Risk and Crisis
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Governance

Our Commitment

Everything we do to drive growth and profitability must be done with the highest standards of ethics, honesty and integrity. Governance, risk, compliance and ethics are a priority at IFF. Our commitment starts with our Executive Committee and Board of Directors and is supported by our governance framework, which is driven through our organization with continual communication and training on best practices in governance, risk management, compliance and ethics.

GRI INDICATORS

G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

Everything we do to drive growth and profitability must be done with the highest standards of ethics, honesty and integrity.

Governance Structure

Our Approach

Our key corporate values of passion, creativity, expertise and empowerment are embedded in our culture. We have a [Code of Business Conduct and Ethics](#) (or “Code”), a Code of Conduct for the Board of Directors, and a Code of Conduct for Executive Officers, which set the ethical tone for our organization. These Codes apply to each of our employees, officers and directors, including the employees, officers and directors of our subsidiaries.

We expect our employees to understand and comply with our Code and to annually affirm that they have read and understand it. We refreshed our Code in 2015 to adapt it to a quickly changing compliance landscape and made it more user-friendly by adding commonly asked questions.

We conduct compliance training on a global basis in person, via online webinars and through creative contests and events on a wide range

of compliance topics. In addition, we have many ways that employees can communicate any ethical concerns they may have, including through an anonymous reporting hotline. Employees who become aware of or suspect violations of any of our Codes or policies are expected to report such violations or suspicions, any of which are investigated.

IFF’s Board of Directors (or “Board”) provides the highest level of oversight in our organization. Our diverse, independent Board of highly accomplished directors brings value to our organization, and we benefit from their guidance. The IFF Board has three committees: Audit, Compensation, and Nominating and Governance. In addition to overseeing and reviewing the financial reporting process and the integrity of IFF’s financial statements and related financial information, the Audit Committee oversees and reviews the procedures for monitoring compliance with our Code and applicable laws and regulations. We also have an internal audit function that assists in evaluating and improving the

effectiveness of our risk management, internal control, financial reporting and governance processes.

IFF is governed by the Executive Committee (EC), which is chaired by our CEO and comprises the company’s most senior executives. The EC is 62 percent male and 38 percent female. The EC addresses strategic, operational and financial matters and is the highest approval body before the Board of Directors.

Our cross-functional Global Compliance and Ethics Committee meets quarterly and reports to the Chief Compliance Officer. The purpose of the committee is to oversee the company’s implementation of programs, policies and procedures that are designed to respond to the various compliance and regulatory risks facing the company.

Please refer to pages 12 – 17 of our [Proxy Statement, SEC Form DEF14A](#), the governance section of our [website](#) and our [Corporate Governance Guidelines](#) for more information about the overall governance structure of our organization.

Governance Structure for Sustainability

Our Sustainability Business Council (SBC) provides the governance oversight for execution of our global sustainability strategy. An Executive Committee member directly reporting to our Chief Executive Officer serves as Executive Sustainability Champion to the SBC, providing leadership and executive oversight. The SBC is a multifunctional group led by our Director of Global Sustainability, and comprises Pillar Owners and Leads, which represent each focus area of our sustainability strategy: sources, impact, products, and people. Also serving on the SBC are the managers of our business units: Operations, Sourcing, Human Resources, Engineering, Product Development, Legal, Finance, Communications and IT. Our SBC governance model relies on functional integration of our sustainability strategy across IFF, including goal development, implementation and progress toward goals.

GRI INDICATORS

G4-34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.

Risk and Crisis Management

Risk Management

IFF's general approach for identifying significant risks and opportunities relies on our management's evaluation of current events and its expectations regarding future developments. We have a multidisciplinary, company-wide enterprise risk management program that annually assesses risks, including sustainability risks, to our business. IFF's risk management is overseen by the Board of Directors, but the CEO and other senior management are primarily responsible for day-to-day risk management processes and report to the Board. Please refer to the Risk Management Oversight section on page 18 of our [Proxy Statement](#), [SEC Form DEF14A](#).

Crisis Management

Unexpected events can disrupt our operations. When they do, IFF stands ready to implement our comprehensive crisis management plan. This plan outlines preparation for and responses to emergency situations that may imperil the safety of our employees, customers, facilities, operations or reputation. We have global and regional crisis management plans and procedures, and we conduct training for members of our cross-functional global and regional crisis teams.

During 2015, the Company was notified by Chinese authorities of compliance issues pertaining to the emission of odors from several of its plants in China. As a result, the Company's Flavors facility in China was temporarily idled. Accordingly, the Company invested approximately \$6.5 million in odor-abatement equipment at these facilities to address these issues.

The Precautionary Principle

We do not formally apply the precautionary principle. We implemented a robust risk evaluation tool to identify significant risks faced by our company. This tool involves surveying employees to gauge their assessment of risks and then consolidating their responses into a set of key risks, such as the quality of or disruptions to our supply chain. The consolidated set is communicated to the operating committee and Board of Directors at least annually. Our SEC Form 10-K includes a detailed description of our financial risks.

GRI INDICATORS

- G4-14** Explanation of whether and how the precautionary approach or principle is addressed by the organization.
- G4-35** Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.
- G4-36** Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.
- G4-46** Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.



Environment

Inspired by nature and
dedicated to helping it thrive

IN THIS SECTION

Energy	PAGE 24
Emissions	PAGE 26
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Environment

Our Commitment

Thoughtful manufacturing means striving to deliver eco-effective flavors and fragrances to our customers, helping them create more sustainable products for consumers. Our 2020 goals are in place to reduce our environmental footprint.

Our Approach

Energy, emissions, water and waste are key components of our broader sustainability strategy, which has four main pillars: sources, impact, products and people. Company-wide, environmental issues are managed within our impact pillar, which focuses on eco-effectiveness. The Pillar Owner is accountable for our eco-effectiveness goals, and the Pillar Lead is responsible for implementing the reductions necessary to meet the goals. We use a centralized management system to track environmental performance metrics at each site. Performance is reviewed on a quarterly basis by our pillar leadership team.

To ensure integration across IFF globally, we have a series of Green Teams that manage eco-effectiveness projects at each of our manufacturing facilities and meet monthly to share best practices. Green Teams are cross-functional groups of employees with a demonstrated passion for sustainability, who identify and implement solutions to help their locations operate more sustainably. Through this structure, facility leadership and the Green Team at each site benefit from the resources and learnings of other sites, while taking responsibility to minimize the footprint at their own facility. This autonomy allows each site to focus on the projects that will result in the most significant improvements.

Thoughtful
manufacturing
means striving to
deliver eco-
effective flavors
and fragrances to
our customers.

Environment

Performance in 2015

A key focus of our sustainability strategy is eco-efficiency improvements in our operations — doing our part to address critical environmental issues, such as global climate change and water scarcity.

2015 was a year of environmental accomplishments for IFF.

We were pleased to be recognized by the CDP for a perfect score in carbon management — achieving a 100 in disclosure and an “A” in performance — placing us in the top 5 percent of companies in the world. IFF demonstrated a commitment to a low-carbon global economy by supporting COP21 in Paris. Leading up to this event, we showed action leadership by joining the Renewable Energy 100 (RE100) effort and the WBCSD. We also signed President Obama’s American Business Act on Climate Pledge and Pope Francis’ encyclical “On Care for Our Common Home,” and confirmed our commitment to the UN Global Compact.

Assuring Through Certification

As we work to reduce our footprint throughout the value chain, we rely on external certification systems to validate our procedures and guide our continuous improvement plans. For example, we continued to work toward our 2015 goal of expanding ISO 14001 certification to all of our major manufacturing facilities. Our Gebze, Turkey; Zhejiang, China; and Haverhill, U.K., facilities achieved this certification in 2015 or early 2016. We anticipate that we will receive certification for the three remaining sites — Garín, Argentina; South Brunswick, New Jersey, U.S.; and Jacksonville, Florida, U.S. — in 2016. Implementing the ISO 14001 environmental management system at our facilities helps us improve resource efficiency, reduce waste and manage costs, while assuring our employees and external stakeholders that our environmental footprint is being measured and managed.



Energy

Our Commitment

Energy efficiency is good for the environment and can reduce operating costs. GHG emissions are highly dependent on energy use, so our carbon reduction strategy includes a focus on minimizing energy use and increasing our purchases of renewable energy. We have set a goal to reduce our energy intensity by 20 percent (from a 2010 baseline) by 2020.

Performance in 2015

We are pleased to report that for 2015 we achieved a 3.7 percent year-over-year reduction in energy intensity (energy use per metric ton of production) even as we continued to increase production worldwide. This was accomplished through facility upgrades, new equipment and operational changes at several of our sites.

Examples of energy reduction projects include:

- Our South Brunswick, New Jersey, U.S., flavors compounding facility completed a steam system optimization project that decreased natural gas usage by approximately meters.

- Our Dandenong, Australia, flavors facility upgraded the lighting system to use LEDs and induction plasma tubes, which decreased overall electricity usage at the site by 14 percent.
- Our Benicarló, Spain, fragrance ingredient facility focused on improving steam pipe insulation.
- We gained synergies with the closure of our Augusta facility in 2014, as that resulted in an overall reduction in global energy use by shifting that production to our more efficient facilities.

Since 2010, we have reduced energy intensity by 12.2 percent. We continue to focus on finding ways to manufacture more efficiently and effectively and are on track to meet our 2020 goal of reducing energy intensity by 20 percent.

GRI INDICATORS

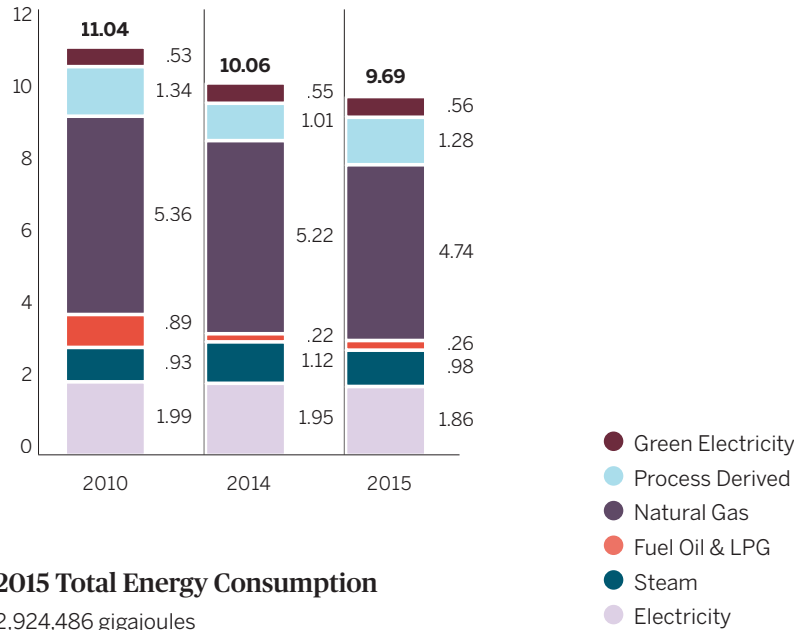
G4-EN3 Energy consumption within the organization.

G4-EN5 Energy intensity.

G4-EN6 Reduction of energy consumption.

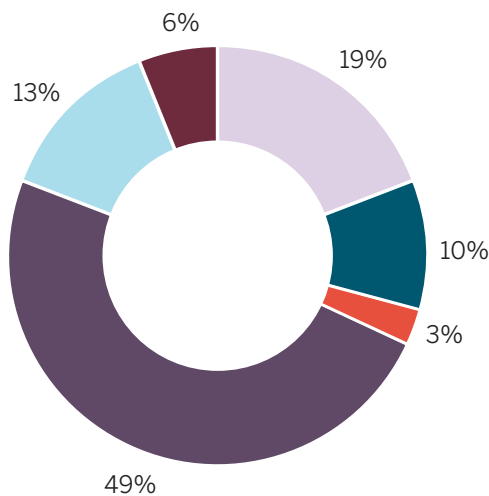
Annual Energy Intensity by Type

Gigajoules (GJ) per metric ton of production



2015 Total Energy Consumption

2,924,486 gigajoules



The ratio used in the bar chart above is total energy in GJ per metric ton of finished goods produced. The ratio only includes energy consumed within the organization. Annual energy data is based on actual figures drawn from utility bills dating back to 2010 for each operating location.

Powering Our Facilities with Renewable Energy

IFF continually looks for ways to utilize renewable power and minimize energy use in our operations. In 2015, we joined RE100, a global initiative of businesses that are committed to the goal of procuring 100 percent of their electricity from renewable sources. We are assessing our current situation and identifying opportunities to increase our use of clean, renewable electricity. In 2015, approximately 23 percent of our global electricity use came from renewable sources, such as wind or solar power.

In 2014, we opened a 4 megawatt photovoltaic solar array — the largest in our industry — at our Hazlet, New Jersey, U.S., facility. Additionally, our flavors and fragrances compounding facility in Tilburg, Netherlands, will become the first in the industry to generate wind power on-site.

The facility is located approximately 80 miles southeast of Amsterdam and is suited to wind power generation, given its location in a coastal country along the North Sea. Installation of a 2.4 megawatt turbine began in late 2015 and is slated for completion by mid-year 2016.

Once fully operational, the turbine will produce approximately 6.5 million kilowatt-hours of renewable electricity per year, enough to power 30 percent of the location's electricity needs. We also intend to purchase additional green power with the applicable renewable energy certificates for the facility's remaining needs, moving toward achieving 100 percent renewable electricity status.

Emissions

Our Commitment

GHG emissions are a significant contributor to global climate change, and we are committed to reducing our Scope 1 (direct emissions we control) and Scope 2 (emissions generated through purchased electricity and steam) GHG emissions. We also track and aim to reduce Scope 3 (indirect emissions in our value chain) GHG emissions. We have set an ambitious 2020 goal of a 25 percent reduction in GHG emissions intensity against our 2010 baseline.

Performance in 2015

Scope 1 and Scope 2 Emissions

In 2015, we made good progress toward our 2020 goal. We are very pleased to report that our global greenhouse gas emissions intensity (Scope 1 and Scope 2) decreased 7.0 percent from the prior year, resulting in an overall reduction of approximately 17.8 percent from the 2010 baseline. This puts us well on our way to achieving our 2020 goal of a 25 percent reduction.

Scope 3 Emissions

We generated 34,845 metric tons of CO₂e Scope 3 emissions related to fuel and energy-from activities. CO₂, CH₄, and N₂O are included in these emissions calculations, but biogenic emissions are not included. We plan to report additional Scope 3 emissions categories in 2016.

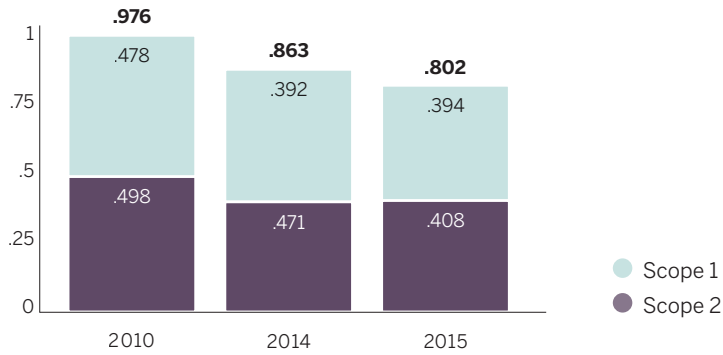
GRI INDICATORS

G4-EN17 Other indirect (Scope 3) GHG emissions.

Our global
greenhouse gas
emissions intensity
decreased
7 percent from
the prior year.

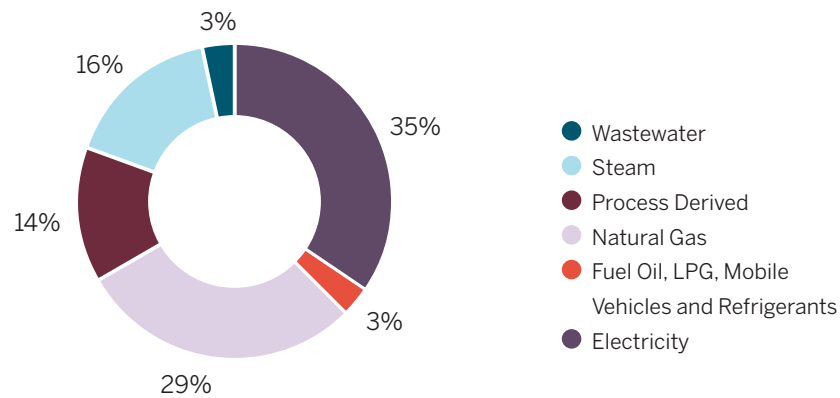
Annual Emissions Intensity by Scope

Metric tons CO₂e per metric ton of production



2015 Total Stationary Scope 1 and Scope 2 Emissions

242,225 metric tons of CO₂e



GRI INDICATORS

G4-EN15 Direct GHG emissions (Scope 1).

G4-EN16 Indirect GHG emissions (Scope 2).

G4-EN18 GHG Emissions Intensity Ratio.

G4-EN19 Reduction of greenhouse gas (GHG) emissions.

The ratio used in the bar chart above is total Scope 1 and Scope 2 emissions in metric tons of CO₂e per metric ton of finished good produced. The ratio only includes emissions generated within the organization.

Data Measurement Techniques and Basis of Calculations

Our greenhouse gas emissions are calculated following the Greenhouse Gas Protocol. Annual energy data used to calculate Scope 1 and Scope 2 emissions are based on utility bills dating back to 2010 for each operating location. In 2015, we updated our annual energy and emissions data to account for a corrected natural gas conversion factor as well as our recent acquisitions, which adjusted our 2010 baseline.

The organizational boundaries for this report align with the Operational Control approach outlined in the GHG Protocol. For direct emissions, appropriate emission factors from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and the EPA's Fugitive Emissions Guidance are used. For electricity, the latest regional emission factors are supplied by the EPA and the International Energy Agency, while emission factors for steam and process-derived fuels are specific for each site and are provided by the suppliers. The emissions

calculations include greenhouse gases covered by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆) and are reported as CO₂ equivalents (CO₂e). This year, we began using the global warming potentials (GWPs) provided in the IPCC's Fourth Assessment Report. We have restated prior years' data based on the updated GWPs; however, changes to overall totals were negligible. In this report, only location-based emissions are being disclosed, as we are working towards disclosing market-based emissions in the near future. The Solar Renewable Energy Credits generated from the Hazlet, New Jersey, U.S., solar array are retained by the array's owner, and IFF is supplied with equivalent Green-e certified Renewable Energy Credits (RECs). Qualifying RECs are also purchased for Benicarló, Spain, and Hilversum and Tilburg, Netherlands, and are accounted for in this report.

Water

Our Commitment

In 2012, we set a 2020 goal of a 25 percent reduction in water use intensity against our 2010 baseline. After meeting that goal in 2014, we increased our commitment to reach an overall 50 percent reduction by 2020.

Our Approach

In order to map our water footprint and identify possible risks, we use several publicly available tools. Globally, we have used the World Resources Institute's Aqueduct Tool to identify water stress, flood occurrence and drought severity risks for all of our manufacturing facilities. On a project basis, we have used other tools, such as the WBCSD's Global Water Tool and the EPA's Surf Your Watershed tool. These enable us to determine watershed location, access to water and sanitation, and water stress and scarcity for a specific facility location.

The knowledge we gain helps us to assess water-related risks and informs decisions for future water conservation initiatives at our sites.

In 2015, we continued to disclose our water use data and assess our performance through CDP's water questionnaire. The Assessment gives us access to performance benchmarks and helps us to focus our efforts. Completion of the assessment requires a solid understanding of how our operations are affected by potential water risks and how we manage those risks.

The knowledge we gain about our water footprint informs decisions for future conservation initiatives.

GRI INDICATORS

G4-EN8 Total volume of water withdrawn by source.

Water

CONTINUED

Performance in 2015

We withdrew approximately 5.4 million cubic meters of water from groundwater, surface water and municipal sources in 2015. We are pleased to have achieved an overall year-over-year water use reduction of approximately 5.4 percent due to several water-saving projects that have been recently implemented at the facility level.

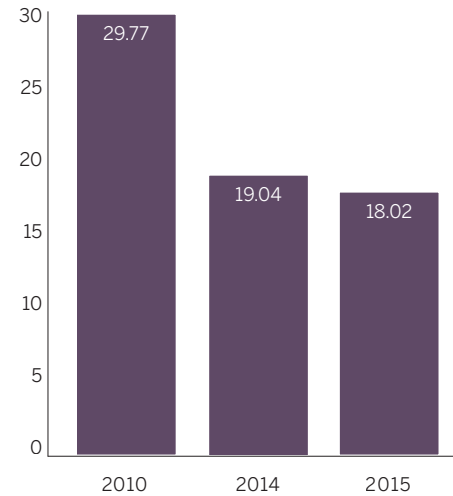
Examples include:

- Water-saving, “clean-in-place” systems on bulk compounding tanks at our Hazlet, New Jersey, U.S., facility.
- State of the art metering on the boiler flue gas abatement system, allowing us to reduce the water purge flow down, at our Haverhill, U.K., facility.
- Recycling systems to recirculate cooling water at our Hangzhou, China, facility.

To date, much of the improvement in our water performance has been due to reductions in water usage rather than water recycling or reuse.

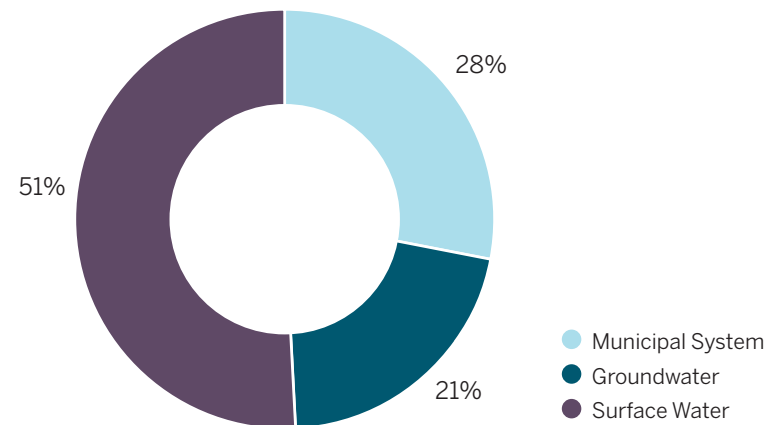
Annual Water Intensity

Cubic meters per metric ton of production



2015 Water Use by Source

5,438,491 cubic meters



Each site submitted total water withdrawn from each source, and the values were converted to cubic meters and summed at the global level.

GRI INDICATORS

G4-EN8 Total volume of water withdrawn by source.

Waste

Our Commitment

We have set a goal to reduce our hazardous waste generation by 25 percent (from a 2010 baseline) by 2020.

Performance in 2015

In 2015, due to the addition of acquired sites and a shift in product mix at a few key facilities, we saw a year-over-year increase in hazardous waste of 7.2 percent from 2014, going from 0.075 to 0.080 metric tons of hazardous waste per metric ton of production. Despite this increase, the majority of our sites reduced their generation of hazardous waste. Overall, we have reduced hazardous waste generation by 16.8 percent against the 2010 baseline, which means we are still on track to meet our 2020 goal.

As we make progress toward our 2020 goal, our eco-effectiveness management team is focusing on the relationship between product mix and hazardous waste generation. Each region follows different regulations and protocols to classify hazardous waste. As we attempt to stay ahead of this dynamic process, we face new challenges, including the incorporation of acquired sites into our inventory. For accuracy and trend analysis we gathered historical data dating back to 2010 to align with our baseline year. Through this analysis we have identified those sites with higher waste intensities. We see this as a great opportunity to better understand our facilities' production processes in order to set a path to decrease waste in the future.

As we look ahead,
we will explore
eliminating the
concept of waste
throughout our
operations.

Waste

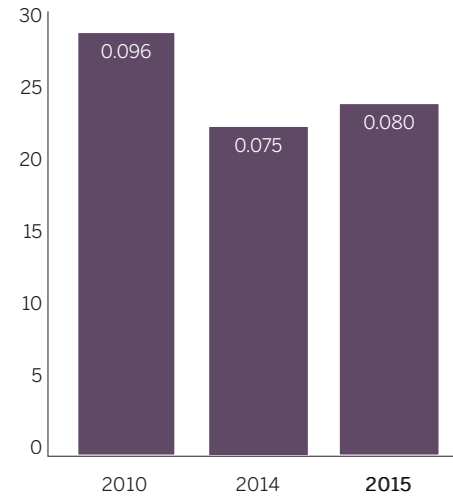
CONTINUED

IFF does not import hazardous waste from outside locations nor transport it between IFF sites. All hazardous waste is handled in accordance with country regulations. Three facilities are able to treat and convert hazardous waste on-site to process-derived fuels, which can be burned instead of natural gas to generate steam. Our hazardous waste disposal methods are identified in the chart at right, which includes the amount we convert to process-derived fuels.

In 2015, we gained greater insights into our non-hazardous waste disposal metrics and methods. As we look ahead, we will develop goals to reduce non-hazardous waste, increase recycling rates and incorporate the idea of eliminating the concept of waste, starting with zero waste to landfill. Shown on the following page is a chart to indicate the destination of our waste, which includes the percentage breakdown of each disposal method. We continue to refine our methods and develop a deeper understanding of our waste streams.

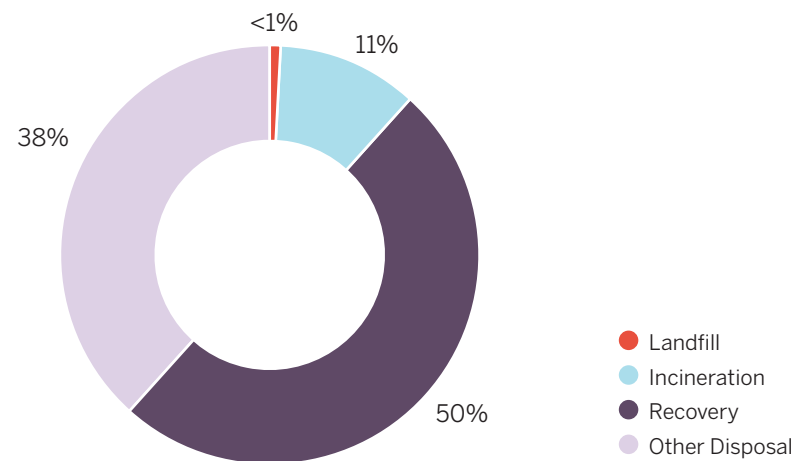
Annual Hazardous Waste Intensity

Metric tons per metric ton of production



2015 Hazardous Waste by Disposal Method

24,210 metric tons



GRI INDICATORS

G4-EN23 Total weight of waste by type (hazardous and non-hazardous) and disposal method.

Waste

CONTINUED

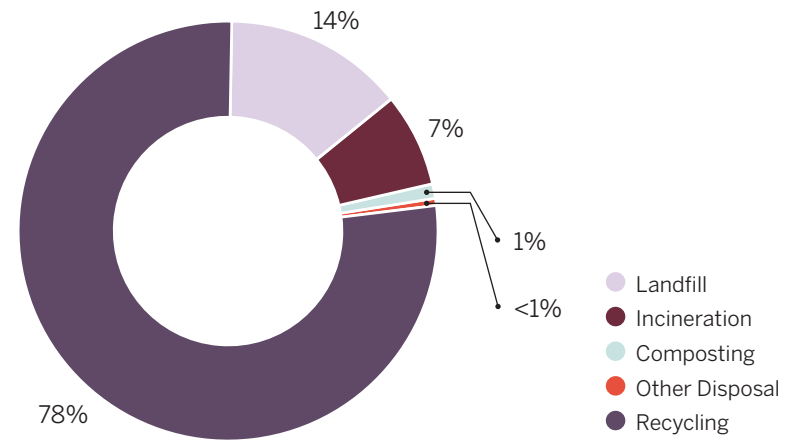
Spills

There were no significant spills in 2015.

We believe the amounts we have paid and anticipate paying in the future for clean-up costs and damages at all sites are not material and will not have a material adverse effect on our financial condition, results of operations or liquidity. We follow the SEC guidance for disclosure of material issues. Please see our [Annual Report](#) and [SEC Form 10-K](#) for more information.

2015 Non-Hazardous Waste by Disposal Method

23,609 metric tons



Disposal methods were reported by site-based Environment, Health & Safety personnel, based on first-hand knowledge or information provided by the waste disposal contractor, and aggregated at the corporate level.

Only manufacturing facilities are currently included in this chart. Data for Ottens Flavors are not included in the totals, as it is a recent acquisition. It will be included in the 2016 sustainability report.

GRI INDICATORS

G4-EN23 Total weight of waste by type (hazardous and non-hazardous) and disposal method.

G4-EN24 Total number and volume of significant spills.

A close-up photograph of various tropical plants, including a large green leaf with prominent veins, a fern frond, and a Monstera leaf with characteristic holes. The lighting is bright, highlighting the textures and colors of the leaves.

Our Supply Chain

Engaging our suppliers and improving resiliency

IN THIS SECTION

Our Supply Chain

PAGE 34

Strengthening Local
Communities

PAGE 36

Our Supply Chain

Our Commitment

Responsible sourcing is a key part of IFF's broader sustainable strategy. We are committed to sourcing raw materials in a way that respects the environment and supports the people and communities that are part of our global supply chain. We are also growing our portfolio of sustainable materials and establishing long-term community partnerships in areas where we source these raw materials. To better understand our supply chain, we require that our major suppliers be assessed through Sedex, a collaborative platform for sharing supply chain information.

Our Approach

IFF's Vendor Code of Conduct is the cornerstone of our relationships with our vendors. We expect our vendors to provide a safe working environment and to conduct their business with integrity. They are expected to comply with all laws, rules, regulations and industry standards, including those

concerning human rights. Discrimination, child labor and forced or compulsory labor are prohibited, and we require our vendors to recognize and respect their employees' rights to freely associate and engage in collective bargaining in a manner that is consistent with applicable laws and regulations.

We are assessing
our supply chain
for vulnerable raw
materials and
developing and
advancing policies
to ensure its long-
term resiliency.

Our Supply Chain

CONTINUED

Performance in 2015

Engaging Our Suppliers

We actively participate in AIM-PROGRESS, a forum of manufacturers and suppliers that is dedicated to promoting responsible sourcing practices. We also increased our participation in the Supplier Ethical Data Exchange (Sedex), the largest collaborative platform in the world for sharing supply chain data. Sedex helps drive continuous improvement in our supply chain in the areas of labor standards, health and safety, environmental management and ethical business conduct. We focus our efforts with Sedex on a core set of suppliers that are critical to our business, reviewing the list annually as our supply chain evolves. The Sedex Risk Assessment Tool allows us to prioritize our suppliers for completion of the Sedex Self-Assessment Questionnaire and Sedex Members Ethical Trade Audit 4-pillar audits.

GRI INDICATORS

G4-EN32 Percentage of new suppliers that were screened using environmental criteria.

G4-S09 Percentage of new suppliers that were screened using criteria for impacts on society.

G4-HR10 Percentage of new suppliers that were screened using human rights criteria.

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria.

These audits include labor standards, health and safety, environment and business ethics. More than 50 percent of our 2015 spend was with vendors registered on Sedex.

We are new members of Together for Sustainability (TfS), an initiative of leading chemical companies to develop and implement a global supplier engagement program that assesses and improves sustainability sourcing practices. With TfS, suppliers are able to communicate their ecological and social practices through one form instead of multiple questionnaires, and buyers can access the information through a shared platform called EcoVadis. Through this initiative, we have committed to conduct assessments and audits of our suppliers annually, beginning in 2016.

The Sedex and EcoVadis platforms allow us to assess our suppliers' human rights and environmental policies and performance.

We also have a Vendor Management Program which helps us ensure that our supply chain meets our rigorous quality expectations. New raw suppliers undergo initial audits of their business operations to confirm that they meet IFF's requirements and standards, while existing suppliers are audited on an ongoing, periodic basis.

Our auditing efforts are complemented by our vendor risk management program, which tracks vendor performance to help determine audit frequency. Our use of vendor risk scorecards allows us to focus our resources where the needs are greatest. As part of our Vendor Management Program, we share best practices and advice on technical issues, which supports our vendors around the world on their path to continuous improvement. Our [Vendor Code of Conduct](#), [Sustainable Palm Oil Policy](#) and [Responsible Sourcing Report](#) are available on our website.

Certifying our Raw Materials

IFF-LMR Naturals has a long-standing commitment to sustainability and has increased that commitment in recent years with the introduction of third-party certification. LMR worked with the rigorous Fair For Life program of the Institute for Marketecology to achieve For Life certification for our first ingredient — Turkish rose — in 2014. For Life Social Responsibility certification is broad in scope, and everyone along the value chain must adhere to criteria that require fair working conditions, transparent administration, good community relations and the monitoring of environmental performance. We have since achieved certification for additional ingredients. In 2015, we achieved For Life certifications for ylang-ylang, patchouli and basil from Madagascar and vetiver from Haiti. Certifications for additional ingredients are planned for 2016.

Strengthening Local Communities

We source ingredients locally wherever we can, while acknowledging that many of our raw materials can only be sourced from countries where they grow naturally.

Vetiver in Haiti

The oil produced from the roots of vetiver (*Chrysopogon zizanioides*) — a perennial grass native to India — is a common ingredient in perfumes and a key natural ingredient sourced by IFF. Haiti produces some of the best vetiver in the world, but due to economic pressure, farmers often harvest the roots before they are fully mature, leading to low prices and poor oil yields. IFF is proactively working in Haiti to strengthen our relationship with our vetiver suppliers, sharing our technical expertise to help improve yields and oil quality.

As members of the Natural Resources Stewardship Circle (NRSC), a not-for-profit organization founded by leaders in the beauty, flavor and fragrance industry committed to the goal of responsible sourcing of natural ingredients, we are working with our vetiver suppliers to ensure that they will comply with the specifications laid out by the NRSC for fully traceable, sustainable and high-quality product. We have also implemented two community projects in recent years. In 2015, for example, we installed a well in one of the local villages and, together with one of our customers, renovated the National Library in Les Cayes, Haiti.



GRI INDICATORS

G4-EC9 Proportion of spending on local suppliers at significant locations of operations.



Vanilla in Madagascar

In collaboration with one of our vendor partners in Madagascar, Bourbon vanilla beans became our first Natural Ethics product. IFF supports more than 350 Bourbon vanilla bean farmers and their families through prefinancing, price premiums and community development projects. Most farmers do not have access to credit. Their decision to harvest vanilla is dictated by their need for cash, not optimal harvest conditions. The program's pre-financing model encourages farmers to harvest the vanilla beans at their peak, giving IFF access to high-quality vanilla beans while ensuring that farmers are able to meet their own financial needs. Farmers who reach quality targets are given a price premium. The area processor, which sources vanilla beans from surrounding farms, undergoes a third-party audit on an annual basis. Through this program, we are able to source high-quality organic and fair trade vanilla beans for a cost that is comparable to conventional ones.

As part of the program, IFF provides additional funding for development projects chosen by the local communities. A new primary school, Ecole Primaire Publique, was constructed in the village of Maevatanana in 2014. The school is recognized as a national public school and is open to all the children of the village, with the state providing teachers. Construction began on an additional school in early 2016.

Patchouli in Indonesia

IFF has also initiated a partnership in Indonesia to develop a sustainable and traceable supply of high-quality patchouli oil and improve the livelihoods of local small farmers with fair pricing structures. Through the expertise of our local agronomist, as well as Research and Development scientists in LMR, we are able to provide seedlings to farmers that enable them to grow high-quality patchouli. By leveraging the expertise of LMR in the selection of the best variety of patchouli and then optimizing its cultivation, harvest, drying and distillation, along with the

local networks and community development expertise of our partner in Indonesia, we will see a significant and growing portion of the patchouli we need being produced in this way over the next three years. In fact, in 2015 we already had our first quantities of For Life certified patchouli oil produced by our partners. This program is an example of bringing innovation to all steps of the supply chain by improving returns to farmers, providing high-quality products to consumers, and benefiting the communities where patchouli is grown.



Sourcing Palm Oil Ethically

Palm oil is used minimally in our products, but because the production of palm oil is linked to deforestation, biodiversity destruction and human rights abuses, we have an important role in ensuring that the palm oil in our supply chain comes from sustainable sources. We joined the Roundtable for Sustainable Palm Oil (RSPO) in 2012 and issued our first policy on palm oil soon after. We have achieved RSPO Supply Chain Certification for three of our facilities, in the United States, the United Kingdom and the Netherlands, enabling us to supply certified mass balance ingredients to our customers from these IFF facilities. We also engage with several of our suppliers that are working toward RSPO certification, by regularly visiting their plantations to engage with them and monitor their progress.

In 2015, we revised and updated our Palm Oil Policy, which is available on our [website](#), and we will continue to expand supply chain certification to our other facilities around the world. The policy outlines our commitment to purchase palm oil products from suppliers who have made public commitments to protect human rights and to avoid deforestation and development on peat lands or high-conservation-value areas. As outlined in the policy, we have set a goal to have 100 percent of the palm oil used in our products to be RSPO-certified by 2020.

We have set a goal to have 100 percent of the palm oil used in our products to be RSPO-certified by 2020.

Labor Practices

Nurturing a values-based culture

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Occupational Health and Safety PAGE 47

Cultivating Talent PAGE 49

Employment Practices

Our Commitment

Passion, creativity, expertise and empowerment: These are our core corporate values. Identified by our employees and validated and expanded upon by our managers, these values are an essential part of what it is to “be IFF.” Prospective employees are evaluated on their values fit, as well as the skills and experience they bring to the table. In 2015, we continued to nurture a values-based culture that fosters a work environment in which employees can perform at their best. Globally, we integrate the values into recruitment, career development, and performance and talent management.

Our Approach

IFF operates in 35 countries worldwide with various legal frameworks and requirements for diversity in the workplace. Human resources teams in each region are accountable for ensuring that we comply with local legal requirements, and the teams are empowered to implement additional programs and projects to support employee initiatives based on the

local needs and priorities of their region. An engaged workforce is very important to us, and increases morale, productivity, innovation and commitment and reduces turnover. We are pleased to report that our global retention rate of permanent employees increased slightly, from 90.9 percent in 2014 to 91.5 percent in 2015.

We integrate our corporate values into recruitment, career development, and performance and talent management.

Diversity and Inclusion

As a global company, we believe creativity is propelled by diversity and inclusion. Thus, diversity and inclusion are key components of providing a workplace that fosters our values. In 2015, 37 percent of our permanent employees were women. We continue our work to increase employee diversity.

Embodying Diversity in Latin America

Our operations throughout Latin America exemplify our efforts to increase employee diversity. For example, we have programs in place to address the gender balance of our workforce and to facilitate the recruitment of people with disabilities. Below are a few examples.

Disability Inclusion in Brazil

To foster diversity in the workplace, the Brazilian government sets quotas for hiring people with disabilities, and we are proud to exceed the quota set for a company of our size. Our approach is structured around the principle of equal opportunity: We provide the necessary accommodations to ensure that people with physical disabilities have the same opportunity to succeed as employees without them. People with disabilities work in our manufacturing plants and creative center, with roles in customer service, laboratories and maintenance. IFF

Brazil also provides targeted training to local managers to ensure that they are managing employees with disabilities effectively, addressing any needs-specific issues that may emerge and providing consistent performance evaluations.

Using the model established in Brazil in 2014, other locations in Latin America have started to establish partnerships with nonprofit organizations to facilitate the recruitment of people with disabilities.

Balancing Gender in Mexico

Our operations in Mexico include flavor and fragrance manufacturing facilities and a creative center in Tlalnepantla. Several years ago, the local team identified an opportunity to increase the presence of women in the workforce at our compounding plants. A plan was developed and implemented, requiring that at least half of all applications for replacement

positions or new hires must be from female candidates. The presence of women in our plants has increased each year, and as of 2015, our proportion of female employees is nearly 50 percent in both the creative center and manufacturing facilities. Women have successfully achieved management roles as well. For example, in 2015, we appointed our first female Operations Manager in the region.

Total Workforce by Region and Gender

Region	Employees	Male	Female	% Male	% Female
Europe, Asia and Middle East	2,206	1,350	856	61%	39%
Greater Asia	1,945	1,299	646	67%	33%
Latin America	895	561	334	63%	37%
North America	1,552	949	603	61%	39%
Total	6,598	4,159	2,439		

Permanent Employees by Employment Contract and Gender

Region	Employees	Work Time			
		Full-Time Male	Part-Time Male	Full-Time Female	Part-Time Female
Europe, Asia and Middle East	2,206	1,310	40	673	183
Greater Asia	1,945	1,293	6	636	10
Latin America	895	558	3	328	6
North America	1,552	945	4	601	2
Total	6,598	4,106	53	2,238	201

Temporary Workforce by Gender

Region	Temporary	N/A	Male	Female	%N/A	% Male	% Female
Europe, Asia and Middle East	260	1	179	80	0%	69%	31%
Greater Asia	135		55	80	0%	41%	59%
Latin America	25		14	11	0%	56%	44%
North America	140	102	18	20	73%	13%	14%
Total	560	103	266	191			

GRI INDICATORS

G4-10 Total number of employees by employment contract and gender.

Total Workforce by Employees/Supervised Workers and Gender

	Gender			Total Headcount
	N/A	Male	Female	
Europe, Asia and Middle East				
Employees		1,350	856	2,206
Interns		35	50	85
Outsourced Services	8	99	37	144
Temps	1	179	80	260
Europe, Asia and Middle East – Totals	9	1,663	1,023	2,695

	Gender			Total Headcount
	N/A	Male	Female	
Greater Asia				
Employees		1,299	646	1,945
Interns		5	16	21
Outsourced Services		130	81	211
Temps		55	80	135
Greater Asia – Totals	0	1,489	823	2,312

	Gender			Total Headcount
	N/A	Male	Female	
Latin America				
Employees		561	334	895
Interns		16	29	45
Outsourced Services	2	38	84	124
Temps		14	11	25
Latin America – Totals	2	629	458	1,089

	Gender			Total Headcount
	N/A	Male	Female	
North America				
Employees		949	603	1,552
Interns			1	1
Outsourced Services	93	10	8	111
Temps	102	18	20	140
North America – Totals	195	977	632	1,804
Grand Total	206	4,758	2,936	7,900

Companywide New Hires by Age Group, Gender, Region

New Hires	Male		Female	
	Count	Rate	Count	Rate
Europe, Asia and Middle East				
<30	53	33.97%	47	35.88%
30 – 50	81	10.00%	45	8.14%
>50	4	1.04%	2	1.16%
Total	138	10.22%	94	10.98%
Total Male and Female	232			

New Hires	Male		Female	
	Count	Rate	Count	Rate
Greater Asia				
<30	111	39.08%	42	33.87%
30 – 50	88	10.05%	27	10.02%
>50	2	1.44%	2	3.77%
Total	201	15.47%	91	14.09%
Total Male and Female	292			

New Hires	Male		Female	
	Count	Rate	Count	Rate
Latin America				
<30	36	29.75%	32	46.38%
30 – 50	31	8.83%	34	14.66%
>50	4	4.49%	0	0.00%
Total	71	12.66%	66	19.76%
Total Male and Female	137			

New Hires	Male		Female	
	Count	Rate	Count	Rate
North America				
<30	52	42.28%	31	42.47%
30 – 50	46	10.65%	36	10.59%
>50	13	3.30%	5	2.63%
Total	111	11.70%	72	11.94%
Total Male and Female	183			

Companywide New Hires: 844
 (12.8% of global, permanent headcount)
 Companywide Turnover: 561
 Companywide Total Turnover Rate: 8.5%
 Companywide Voluntary Turnover Rate: 4.6%
 Turnover rate is based on the total turnover headcount divided by total headcount in that category at year-end 2015.
 New hire rate is based on the number of new hires divided by total headcount in that category at year-end 2015.

GRI INDICATORS

G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region.

Companywide Turnover Rate by Age Group, Gender, Region

Turnover (Voluntary, Involuntary, Retirement, Death)	Male		Female	
	Count	Rate	Count	Rate
Europe, Asia and Middle East				
<30	25	16.03%	14	10.69%
30 – 50	47	5.80%	34	6.15%
>50	26	6.77%	9	5.23%
Total	98	7.26%	57	6.66%
Total Male and Female	155			

Turnover (Voluntary, Involuntary, Retirement, Death)	Male		Female	
	Count	Rate	Count	Rate
Greater Asia				
<30	38	13.38%	22	17.74%
30 – 50	47	5.37%	37	7.89%
>50	22	15.83%	3	5.66%
Total	107	8.24%	62	9.60%
Total Male and Female	169			

Turnover (Voluntary, Involuntary, Retirement, Death)	Male		Female	
	Count	Rate	Count	Rate
Latin America				
<30	12	9.92%	9	13.04%
30 – 50	26	7.41%	30	12.93%
>50	5	5.62%	6	18.18%
Total	43	7.66%	45	13.47%
Total Male and Female	88			

Turnover (Voluntary, Involuntary, Retirement, Death)	Male		Female	
	Count	Rate	Count	Rate
North America				
<30	15	12.20%	7	9.59%
30 – 50	38	8.80%	37	10.88%
>50	33	8.38%	19	10.00%
Total	86	9.06%	63	10.45%
Total Male and Female	149			

Green Teams

Our employees around the world, whom we refer to as IFFers, are passionate about the environment and the communities in which we operate. One of our goals is to continue to educate our employees about our sustainability strategy, and our employees are important in peer education. Each of our global manufacturing facilities and many of our creative centers and office locations have Green Teams in place to help employees channel this passion. Throughout 2015, IFFers continued to leverage their creativity and expertise through projects and events that helped green our facilities and support local communities. For example, we saw an 84 percent reduction in disposable cup usage at our creative Center in Hazlet, New Jersey, U.S., when the local Green Team began encouraging the use of reusable cups and issued reusable cups to new employees. The team also participates

in an Adopt-a-Highway program through which employees periodically work to remove debris from alongside a local roadway.

The Green Team at the Hilversum, Netherlands, creative center gathered a group of musically inclined IFFers to perform an eco-awareness version of the “Cups Song” during the site’s annual barbeque, raising awareness for the need to reduce the amount of plastic cups being used in the center. In addition, the team piloted Alchemy, an online ideation platform that helps teams to collaborate, share ideas and inspire each other on a global level. The pilot project asked employees for ideas on how to reduce paper usage in the office. Fifty-one ideas were submitted, and the winning idea is currently being implemented. By engaging the IFF community to think creatively to solve business challenges, the platform serves as an innovation pipeline to generate new ideas and put them into action. As a direct result, several functions within IFF have taken the first steps in adopting Alchemy for their departments.

The Green Teams at our manufacturing locations manage eco-effectiveness projects at each facility by identifying and implementing solutions to help their location operate more sustainably. The facilities’ Green Teams meet globally each month to share best practices. Facility upgrades, new equipment and operational changes were implemented by these teams in 2015, leading to global improvements in our energy intensity and water use. For example, the Green Team at our flavors and fragrances compounding facility in Tilburg, Netherlands, has installed a 2.4 megawatt wind turbine. Once fully operational, it will be the first facility in the industry to generate wind power on-site.

Commending Sustainability Performance

In 2015, we achieved our goal to launch an eco-efficiency awards program to formally recognize facilities that have been the most effective at implementing a culture of sustainability and improving performance related to sustainability standards. In 2015, a panel of senior leaders selected our compounding facility in Hazlet, New Jersey, U.S., and our fragrance ingredients site in Haverhill, U.K., as recipients for our Most Sustainable Site award. The Haverhill facility achieved substantial waste and energy reductions, and the Hazlet facility installed a solar field, among other achievements.

Additionally, awards were granted to the three facilities that showed the most improvement year-over-year for their performance related to energy, water and waste. These sites included Chennai, India; Garin, Argentina; and Dandenong, Australia. This awards program gives leaders across the company an added opportunity to engage with employees, reinforces the importance of sustainability in our business and reflects the great strides our sites have made to reduce their environmental footprints.

Occupational Health and Safety

Our Commitment

Keeping our employees safe and healthy is a top priority at IFF and a critical part of our sustainability agenda. IFF is committed to an accident-free workplace, and our employees play a critical role in fostering safety.

Our Approach

Our Environment, Health & Safety (EHS) department is responsible for setting comprehensive safety policies and procedures to guide our employees and operations. EHS training is managed at the site level, and the EHS department conducts periodic internal inspections and audits to ensure that sites meet our rigorous standards. All sites are expected to develop their local safety programs based on IFF global polices. Plant managers are ultimately

responsible for employee safety, and we hold them accountable by evaluating their achievement of safety-related key performance indicators (KPIs) and objectives. We believe this increases awareness and affects overall program success.

Performance in 2015

We are pleased to report that in 2015 we again reduced our accident rates, due to the efforts of our employees throughout the world.

In 2015 we again reduced our accident rates, due to the efforts of our employees throughout the world.

Occupational Health and Safety

Safety Committees

Each site has a cross-functional safety team made up of employees and their managers, including the department manager and sometimes the plant manager. The committees discuss areas of focus for safety efforts, develop reports for problems that arise and conduct regular inspections to improve conditions and safety awareness. Manufacturing safety committees meet monthly while creative center safety committees meet quarterly.

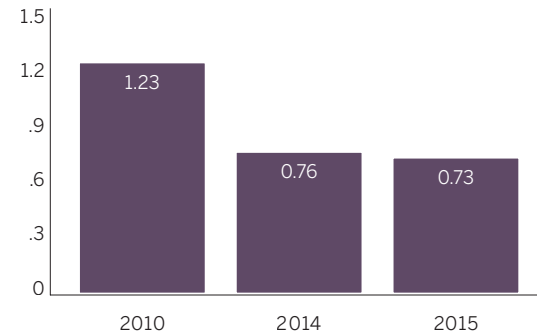
GRI INDICATORS

G4-LA5 Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs.

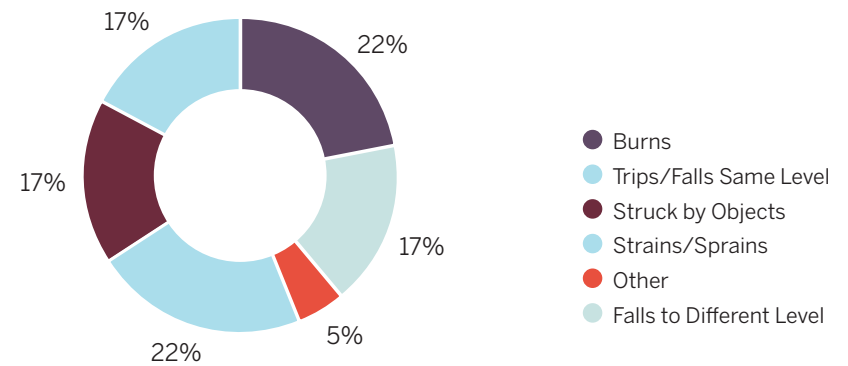
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities.

Annual Total Recordable Incidents

per 100 employees

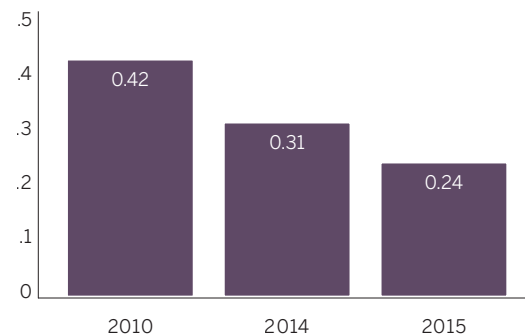


2015 Lost Time Incidents



Annual Lost Time Incidents

per 100 employees



Cultivating Talent

Our Commitment

In an industry that has highly specialized science-based roles, from flavorists to microbiologists, it is critical to IFF's success that we help employees excel at their jobs and develop the unique skills necessary to build long-lasting careers at IFF. We are committed to providing training and development resources in order to attract and retain top talent.

Our Approach

Training & Education

Our materiality assessment identified employee engagement as a material issue, and one of the four pillars of our broader sustainability strategy is dedicated to our people. Leaders from our Human Resources department are responsible for achieving the objectives in this pillar as well as managing training and evaluations to ensure employees have the tools and resources they need to achieve their professional goals and contribute to IFF's success. To ensure that training and education is tailored to the specific employee skillsets and business needs of each division, our nearly 500 training courses are run by individual departments around the world.

Career Development

Performance management at IFF is a yearlong process that begins with managers and their direct reports working together to develop annual objectives that support core business priorities as well as professional development goals. Formal progress evaluations take place twice a year, creating opportunities for feedback to drive continuous improvement. We use an online performance management system that captures performance history, strengthens accountability and enhances transparency. In 2015, 99.8 percent of eligible employees hired before October 1, regardless of gender or employee category, used the performance management system and received performance reviews. Eligible employees hired after October 1 began participating in the performance management process at the start of 2016.

GRI INDICATORS

G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

Expertise is a core value for IFF. Keeping that in mind, we conduct training around the world with the goal of empowering both managers and employees to excel as experts in a variety of roles. From specific, job-related skills (such as culinary training, product development and aroma chemistry) to general business skills (such as public speaking, sales and emotional intelligence), we leverage internal and external resources to offer learning opportunities to IFFers. In 2015, we also prepared for the 2016 launch of our new Research and Development Academy, which supports scientists in our R&D department with high leadership potential. Throughout 2015, we developed curriculum and worked with managers to identify potential participants.

Critical Talent Reviews

In addition to regular performance reviews, IFF conducts talent reviews several times each year. Our CEO and Chairman partners with the Executive Committee to review about 120 IFFers throughout the business, from flavorists to chemists, with the goal of examining progress and understanding where these critical employees are headed in their development paths. This process serves to retain and engage our most critical talent, helping them to feel that their career is supported by IFF.

Freedom of Association and Collective Bargaining

IFF fully respects the rights of its employees to freely associate and bargain collectively in a legal, ethical and safe way. In 2015, 16 percent of our permanent employees were covered by collective bargaining agreements.

GRI INDICATORS

G4-11 Percentage of total employees covered by collective bargaining agreements.

Our goal is to
empower our
people to excel
as experts in a
variety of roles.

Career Ladders

Career Ladders are designed to provide clear role expectations at all levels and to help managers and employees create more meaningful and focused career and development plans. The ladders detail the knowledge, experience, skills, competencies and performance expectations for specific roles and explain the criteria for success. In combination with our extensive training programs, the ladders provide a comprehensive roadmap for building a successful career at IFF. They are valuable assets both for current employees and for IFF as we seek to recruit and retain employees looking for a company that can help them succeed in the long term. Our schools serve as the first “rung” on the Career Ladders.

Perfumery School

Trainees are selected and prepared for careers as creative and technical perfumers, following a rigorous curriculum and guidance from IFF’s expert perfumers. Since the school’s inception, more than 20 IFFers have graduated.

Flavorist School

2015 saw the first four graduates from our Flavorist School, which combines full-time training and on-the-job experience. The curriculum is focused on understanding raw materials and solvents, how to build a flavor language, flavor applications and flavor creation techniques. The school has been global since 2013, with trainees in all four regions.

Scent Design Management School

In 2015, 12 IFFers graduated from our Scent Design Management School, where they developed their olfactory skills while gaining an understanding of consumer insights, finance, creative strategy and project management. In this program, the formal school is followed by a 12-month, on-the-job training program back in the home creative center.

Leadership Programs

IFF offers four specialized leadership courses to help employees develop their personal leadership ability. In total, 380 employees participated in one of these programs in 2015.

Leadership Essentials Acceleration Program (LEAP)

LEAP is a two-day workshop in which participants learn about self-awareness, effective communication, building stronger working relationships and more. Typical participants include first-line supervisors, new leaders, potential new leaders and individual contributors with leadership responsibilities.

People Leader Program

From this yearlong training experience, People Leader participants build a foundation for understanding leadership at IFF while broadening their perspectives and building their internal networks. It is designed for first-line supervisors, managers with direct reports and senior or specialist employees who are new to management.

Organization Leader Program

With a focus on leading innovation, strategy execution and change, the yearlong Organization Leader program helps mid- to senior-level managers learn from each other in a highly interactive development process.

INSEAD Partnership

IFF partners with INSEAD, one of the world’s leading graduate business schools, to help participants explore new business opportunities, new markets and enhanced profitability models. Mid- to senior-level managers leave having received increased exposure to marketing, operational and corporate finance, cross-cultural leadership and more.



Human Rights

Supporting and respecting
the rights of our employees
and communities where
we operate

Human Rights

Our Commitment

As part of our endorsement of the UN Global Compact, we support and respect the protection of internationally proclaimed human rights.

GRI INDICATORS

G4-HR4 Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk.

G4-HR5 Report operations and suppliers identified as having significant risk for incidents of child labor.

G4-HR6 Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor.

G4-HR12 Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period. Of the identified grievances, report how many were addressed and resolved during the reporting period.

Our Approach

Issues related to human rights are managed by our Law department, which oversees corporate governance, ethics and compliance, crisis planning and training, securities law filings and meetings of the Board of Directors. The Law department works in conjunction with Human Resources, Operations and Global Procurement on human rights issues.

IFF has not identified significant risk in our operations for forced or compulsory labor, child labor, or violations of the right to freely associate and bargain collectively. We prohibit the employment of underage children and the use of forced labor in our global operations. [Slavery and Human Trafficking Statement](#).

IFF also requires that all of our vendors comply with our Vendor Code of Conduct. The Code requires that vendors respect the right of their employees to form and join trade unions and to bargain collectively; requires compliance with appropriate regulations and guidelines regarding minimum legal age of employees; and prohibits the use of involuntary labor of any kind, including prison labor, debt bondage, indentured servitude or forced labor. Our Vendor Code of Conduct is updated periodically and distributed regularly. [Vendor Code of Conduct](#).

Our [Code of Business Conduct and Ethics](#) requests our employees and others to report concerns and complaints without risk of retaliation. Complaints or concerns can be submitted through the IFF Compliance Hotline, which accepts anonymous calls and emails in any language, 24 hours a day, 365 days a year. IFF responds promptly and thoroughly to any reported concerns and takes appropriate action where necessary.

Society

Committed to respect
and doing what's right



Society

Our Commitment

Being a world-class flavor and fragrance company and increasing our profitability and operational excellence worldwide cannot, and will not, be done at the expense of our commitment to doing the right thing. We are committed to high standards of ethics, honesty and integrity. When it comes to sustainability, we won't accept the status quo. That's why sustainability is foundational to our Vision 2020 business strategy, and why we are committed to embedding sustainability throughout our business practices and our corporate culture.

Our Approach

[Our Code of Business Conduct and Ethics](#) serves as a compass outlining the general ethical standards that each member of our organization is expected to follow. The Code, as well as our Anti-Bribery, Political Contributions, and International Business Transaction Policies, apply

to all employees of IFF worldwide, and mandate compliance with all anti-bribery and corruption laws and with IFF's global standards. Our Board of Directors is responsible for ensuring the integrity and ethics of our business at the highest level. These documents are updated periodically and distributed regularly. Our Code was last updated in 2016.

GRI INDICATORS

G4-SO4 Communication and training on anti-corruption policies and procedures.

We are committed to high standards of ethics, honesty and integrity.

Society

CONTINUED

We conduct compliance training on a global basis in person, via online webinars and through creative contests and events. These trainings cover a wide range of topics, including, but not limited to, compliance matters and the laws related to anti-bribery and corruption, including the Foreign Corrupt Practices Act and U.K. Bribery Act. In addition, we have many ways that employees can communicate any ethical concerns they may have, including through an anonymous reporting hotline. Employees who become aware of or suspect violations of our Codes or policies are expected to report any violation, and they will not be subject to disciplinary measures or retaliation for making any reports in good faith. All matters reported to IFF are investigated.

Anti-Corruption

Throughout each year, IFF conducts worldwide training and provides ongoing communications to ensure employees understand and comply with IFF's Code of Business Conduct and Ethics. The Code, which was updated in 2016, provides guidance to all employees on compliance topics and frequently encountered scenarios and is prominently featured on IFF's intranet page. We regularly communicate with employees about the Code and the various topics, policies and ethical dilemmas referenced within it. Such communications include "top stories" on IFF's intranet page, email blasts from cross-functional senior managers and video messages from each of IFF's Executive Committee members.

In addition to its communication campaign, IFF regularly conducts live and online training on a variety of compliance topics. In 2015, we conducted training on several compliance-related topics, including the Code, anti-bribery and corruption, workplace harassment, reporting concerns and our anti-retaliation policy, handling confidential information, technology use and asset protection. Live training on the Code and separate training sessions on our Anti-Bribery Policy were conducted in over 15 countries in 2015. Mandatory online workplace harassment training was completed in every region by email-enabled employees, including every member of the Executive Committee. In 2016, all email-

enabled employees will be required to complete online Code training and additional online training on workplace harassment, reporting concerns, cybersecurity and use of company assets. The successful completion of such training by required employees (including each member of the Executive Committee) is a component of each employee's performance rating. In addition, live Code and anti-bribery training will continue to be conducted in every region throughout 2016.

GRI INDICATORS

G4-S04 Communication and training on anti-corruption policies and procedures.

Society

CONTINUED

Political Contributions

We participate in industry and customer trade associations that coordinate advocacy and communications on public policy issues related to our business. We work through both industry trade associations (International Fragrance Association, International Organization of the Flavor Industry, etc.) and through our customers' trade associations. The core position of the industry is that our products are safe for their intended use. This assurance is determined through a science-based, safety risk assessment utilizing validated scientific methods and experts. There are no significant differences between our industry lobbying efforts and stated policies and IFF's goals or public positions.

IFF's Policy on Political Contributions strictly prohibits direct or indirect contributions by the company to any political office and the reimbursement of any such contribution made by an employee. All political activity on behalf of the company must receive prior clearance from the company's General Counsel.



GRI INDICATORS

G4-S06 Total value of political contributions by country and recipient/beneficiary.

Product Responsibility

Creating innovative
customer solutions

IN THIS SECTION

Customer Health
and Safety PAGE 59

Product and
Service Labeling PAGE 61

Green Chemistry PAGE 62

Health & Wellness PAGE 65

Customer Health and Safety

Our Commitment

We are committed to pioneering innovation in our products and processes and training our people to incorporate green chemistry principles into their formulations.

Our Approach

IFF's Global Regulatory Affairs department manages a comprehensive set of policies and procedures to help us achieve safety compliance in all the countries where we operate. We continue to advance our Regulatory Disclosure Policy, which provides a framework for responding to product information requests from regulatory agencies while managing confidential business information. In addition, we are working with a variety of external stakeholders and initiatives to create and implement additional ingredient disclosure models that provide consumers with valuable information while protecting our proprietary formulations. In the meantime, we understand that information requests will continue to vary by product and customer, and we therefore tailor our disclosures to the requirements of each situation.

Our Global Quality team conducts audits and manages quality control processes for our products. All finished IFF products undergo final quality control testing, which, depending on the product, might include sensory, analytical and microbiological analysis.

IFF is an active member of the International Organization of the Flavor Industry and the International Fragrance Association, the leading trade associations representing the interests of the global flavors and fragrances industries. By taking leadership positions within the trade associations and working with regulators, we seek to ensure that upcoming regulations benefit consumers while protecting the interests of the industry. We had no significant incidents of non-compliance with respect to customer health and safety in 2015.

GRI INDICATORS

G4-PR1 Significant product and service categories for which health and safety impacts are assessed for improvement.

G4-PR2 Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle.

Committed to Efficiency and Quality

As part of our commitment to operational excellence, quality products and customer satisfaction, we have incorporated Lean and Six Sigma principles throughout our organization.

Lean is a way of thinking and acting that eliminates waste, improves quality and creates value to our business. Six Sigma is a set of tools and strategies that enable improvement in business processes. We have implemented these techniques across our manufacturing locations worldwide, with the aim of enhancing customer satisfaction, personal development and

engagement of our employees. We have sponsored Green Belt training for dozens of employees in recent years, and in 2015, 125 employees completed a one-day “white belt” training session, which provides an overview and tool around Six Sigma’s Define, Measure, Analyze, Improve, Control (DMAIC) approach. At the core of our implementation of Lean and Six Sigma is the development of a culture of learning and execution, enabling our employees to solve problems they face every day and focus on the long-term solutions necessary to meet our goals.

Facility Certifications at IFF

We maintain several certifications at many of our facilities, depending on the nature of the facility’s processes and product mix.

- ISO 9001(2000), the international standard for quality management
- The Hazard Analysis Critical Control Point system, which provides a systematic approach to safety management
- Good Manufacturing Practices
- American Institute of Baking and Global Food Safety Initiatives Standards
- ISO 14001, which sets criteria for environmental management systems

Product and Service Labeling

Our Commitment

All of our products are subject to labeling requirements that vary by region, country and industry, and we are committed to adhering to these requirements.

GRI INDICATORS

G4-PR3 Type of product and service information required by the organization's procedures for product and service labeling, and percentage of significant product and service categories subject to such information requirements.

G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service.

Our Approach

IFF belongs to, actively participates in, and leads where appropriate, the activities of the key organizations that regulate our business in the regions and countries in which we operate. We monitor registration requirements carefully as they continue to develop around the world. In most cases, the emerging registration requirements are closely modeled on existing registration processes in other countries and regions, and we are able to leverage our global expertise and leadership for compliance. This ability to keep current on these ever-changing registration requirements enables us to factor their potential impact into the overall cost and benefit of any new R&D initiative.

Performance in 2015

In Europe, we are preparing for the 2018 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) product registration and plan to complete all mandatory registrations within the required deadlines, as we did with both the

2010 and 2013 registration deadlines. We are undertaking the same exercise in Korea.

In addition, IFF took a leading role in the development and publication of standard exposure scenario methodologies for substances for REACH and has been actively involved in the ongoing discussions related to fragrance allergens. IFF is also actively engaged in the U.S. Toxic Substances Control Act modernization efforts, as well as various other emerging chemical, food and/or labeling regulations around the globe such as the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals. During the past few years, IFF has implemented GHS globally. The GHS goal is to promote safety and consistency in labeling and transport. As always, communication and transparency are key elements in this, and IFF communicates regularly with our customers well in advance of any required implementation dates.

We had no significant incidents of non-compliance with respect to product and service information and labeling in 2015.

Green Chemistry

Our Commitment

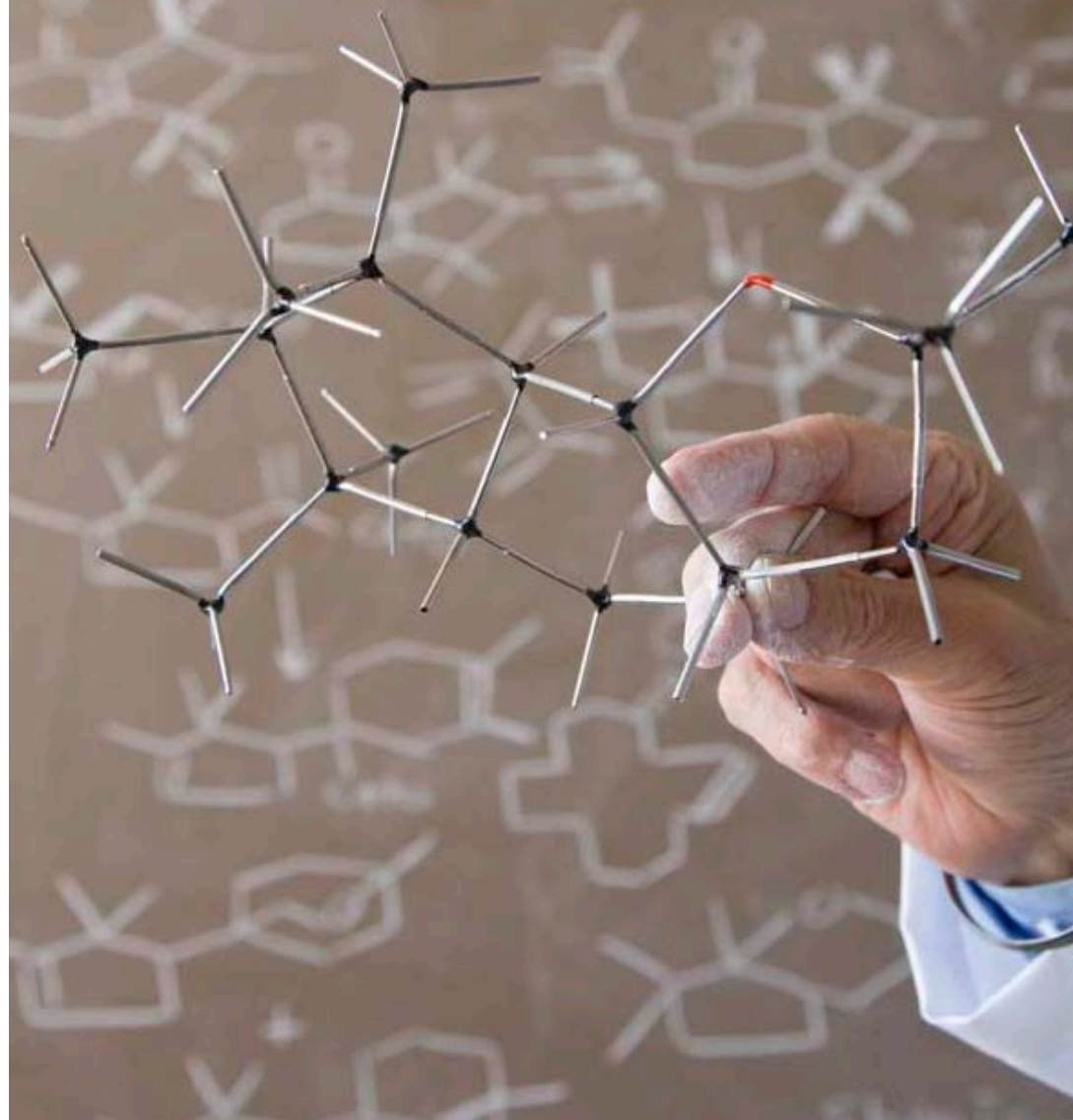
We are committed to pioneering innovation in our products and processes and training our people to incorporate green chemistry principles into their formulations.

Our Approach Green Chemistry

At IFF, green chemistry is the foundation of creating sustainable flavors and fragrances. Incorporating the 12 Principles of Green Chemistry into our processes results in measurable environmental and economic benefits through improved yields, reduced energy, reduced waste, improved safety, use of renewable resources, degradable products and lower manufacturing costs.

12 PRINCIPLES OF GREEN CHEMISTRY

- | | |
|-------------------------------------|--|
| 1 Prevent Waste | 8 Reduce Derivatives |
| 2 Atom Economy | 9 Use of Catalytic Reagents
(vs. Stoichiometric) |
| 3 Less Hazardous Chemical Syntheses | 10 Design for Degradation |
| 4 Designing Safer Chemicals | 11 Real-Time Analysis for Pollution Prevention |
| 5 Safer Solvents and Auxiliaries | 12 Inherently Safer Chemistry for
Accident Prevention |
| 6 Design for Energy Efficiency | |
| 7 Use of Renewable Feedstocks | |



Green Chemistry

Our proprietary IFF Green Chemistry Assessment Tool is now routinely used from early discovery of our ingredients at R&D to commercial production at our manufacturing plants. The Tool enables our scientists to quantitatively score and evaluate our products and processes against each of the 12 Principles. The scores are charted to provide a visual display of how “green” that product is for each Principle. Using the Tool, our scientists establish baselines for overall green chemistry performance, identify potential areas for improvement, set goals and track progress toward those goals. The Tool is especially helpful in the case of new molecules, which are invented in a laboratory and then transferred to a manufacturing facility where they continue to be assessed. Improvements are made continuously to ensure optimal performance as

production is scaled up. In 2015, IFF received a patent for an innovative green chemistry process invention involving the use of a novel solid catalyst in a flow process to replace a mineral acid and consequently improve yield and eliminate significant amounts of waste.

We continue to use the IFF Green Chemistry Assessment Tool globally, with our sites defining specific targets that are most relevant to their programs and product portfolios. Our goal is to have every scientist at IFF well-versed in green chemistry principles. We introduced green chemistry training at our global R&D headquarters in North America in 2012 and have trained all scientists and technical personnel throughout IFF’s global operations since then.

Refresher training sessions were held in 2015 to further promote the routine use of the 12 Principles in everyday activities. These refresher sessions help to reinforce and continuously elevate the culture of sustainability at IFF. The 2015 training sessions were kicked off with an overview of IFF’s sustainability initiatives and achievements, along with short-, medium- and long-term future goals. This was followed by successful green chemistry applications from industries outside of IFF, compiled and presented by our external expert collaborator Professor Michael Cann. Internal green chemistry success stories on the use of the IFF Green Chemistry Assessment Tool for applications in fragrances, flavors, delivery systems and so forth, were then shared, followed by lively discussions.

Applying the Green Chemistry Tool

Demand for one of our key fragrance ingredients has continued to grow in recent years. Using the IFF Green Chemistry Assessment Tool, our scientists developed a greener synthesis technique using flow process and catalytic air oxidation. The new synthesis results in a significant reduction of waste, more efficient use of resources, use of a renewable resource, greater energy efficiency, improved worker safety and reduced costs. The IFF Green Chemistry Assessment Tool is conveniently included in routine business practices to boost overall sustainability. For example, it would be part of a project proposal for capital appropriation, with sustainability benefit targets to supplement financial justification.

Green Chemistry

Understanding the Full Life Cycle of Our Products

Knowing the environmental impact of a product throughout its entire life cycle allows us to identify opportunities to minimize that impact as our chemists and creative teams develop new flavor and fragrance formulas. We continue to leverage our collaborations with life cycle experts and have begun to focus on product-level assessments. For example, we recently conducted in-depth cradle-to-gate assessments for the natural and synthetic versions of four materials commonly used in our formulations: rose oil, neroli oil, cis-3-hexenol, and vanillin. Our assessment measured impacts — such as greenhouse gas emissions, energy and water intensity,

and human health and ecosystem considerations — from the production of the raw material inputs through the manufacturing of the final fragrance or flavor. We found that the majority of the impacts in all of the indicator categories are from the agriculture and distillation phases. As a result of this assessment, we know where to focus our efforts in reducing the life cycle impacts of these and other products.

Biotechnology

Using renewable feedstocks is one of the 12 Principles of Green Chemistry. IFF is continuing to leverage biotechnology to create renewable and cost-effective flavor and fragrance solutions and to reduce supply volatility of critical ingredients. In 2015, our collaboration with Amyris, a leading global renewable products company, progressed in providing IFF with raw materials and aroma chemicals derived from plant sugars.

Designing for Degradation

A product is biodegradable when it can readily break down into organic compounds found in nature. Since many of our fragrances are used in products for washing, such as shampoo and detergents, our focus on biodegradability is an example of IFF's commitment to water stewardship. Our chemists can design biodegradability into new fragrance ingredients by creating molecules that promote degradation and minimize persistence in the environment. Our chemists use biodegradability and persistence models to assess newly designed molecules prior to synthesis.

Health & Wellness

Scent as an Enabler of Health

Understanding the effect of our products on the personal health of consumers helps us to make smart decisions about what we create, how we create, and how our products are enjoyed. At IFF, we believe there is so much more that we can do with the power of scent — and our legacy of pioneering firsts leads us to further explore the potential of fragrance and its positive impact.

Our previous sustainability reports have highlighted IFF's focus on global health and wellbeing. Wherever possible, we partner with organizations that can benefit from our expertise and use our products in the interest of improving lives. IFF continues to collaborate with Cosmetic Executive Women (CEW) in support of a

treatment known as olfactotherapy. This therapeutic approach uses fragrances created by us to help people regain their memory and speech after traumatic brain injury.

More recently, IFF has partnered with Thought Collider as part of a Creative Industry Scientific Program (CRISP) administered through the Mistral Rehabilitation Clinic in The Hague, the Netherlands. This initiative explores the use of smell as a storytelling tool that can be used in therapeutic settings.

Wherever possible, we will continue to partner with organizations that can benefit from our expertise and use our products in the interest of making people happier and healthier.

Improving Lives through Flavors

As a leading supplier to some of the world's largest food and beverage brands, we play a critical role in addressing the changing needs and desires of consumers. Our commitment is reflected in our long-term investment in our naturals platform and in the development of a broad palette of taste technologies. With our deep expertise in food science and consumer insights, we are able to help our customers create delicious foods with better-for-you profiles — enabling foods lower in sodium or sugar, for example, that taste as good as the original. When consumers are better able to keep to their low-sodium or low-sugar diets, we feel we are playing an important role in their healthier lifestyles.

Further, understanding consumer concerns on the health and environmental impact of their dietary choices led us to focus on solutions for plant-based diets with alternative protein sources, such as legumes, grains and seaweed; as well as foods and beverages fortified with fiber, vitamins and minerals. We believe that by supporting our customers with solutions that help them meet evolving consumer needs, we are contributing to a healthier population and a healthier planet.

Appendix



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External Assurance Statement

2015 GRI G4 Core *In Accordance* Report

Executive Summary



Scope of Assurance

ISOS Group [“Assurance Provider”] has been commissioned by the management of International Flavors & Fragrances, Inc. [“IFF”] to provide a limited assurance arrangement on its 2015 GRI-based Core “In Accordance” Sustainability Report [“Report”] for the period of January 1 - December 31, 2015. The scope of our assurance covered underlying reporting processes and a selection of priority Specific Standard Disclosures [“Performance Indicators”] within IFF’s operational control and beyond, in the case of supplier initiatives.

Reporting Process	Environmental Impacts	Social Impacts	
<ul style="list-style-type: none"> • Materiality • Stakeholder Engagement • Impact Boundaries 	<ul style="list-style-type: none"> • Certifications • Energy consumption & Savings • GHG Emissions (Scopes 1-3) • Hazardous Waste • Non-Hazardous Waste • Water Consumption • Wastewater • Resource Conservation Efforts 	<ul style="list-style-type: none"> • Employee Demographics • Diversity • Employee Turnover • Human Rights Issues • Labor Practices & Decent Work 	<ul style="list-style-type: none"> • Product Responsibility • Supplier Standards & Expectations

To stay consistent with previous reports, IFF opted to continue using its hybrid method for calculating scope 2 emissions in 2015. The intent is to refine its process for calculating and displaying market/location-based figures in future reporting cycles. Re-baselined figures, year-over-year performance and financial data verified during the annual reporting process fell outside the scope of this assurance arrangement. All activities were performed from January through May 2016.

Objectives

The objective of this assurance arrangement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase overall credibility of the reported.

Criteria for Assurance and Level of Assurance

Procedures selected were based on the Assurance Provider’s judgment and experience. The focus of all work performed is to ensure that IFF’s 2015 Sustainability Report was prepared in accordance with the Global Reporting Initiative’s G4 Guidelines, the GHG Protocol (WBCSD/WRI, 2004), Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD/WRI, 2011), GHG Protocol Scope 2 Guidance (WRI, 2015), ISO 14064-3:2006 (“Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions”), SA8000 for social factors, and in adherence to the AA 1000AS for underlying reporting processes. A minimum quality standard was set at 95% for all evaluative tasks performed.

Methodology

To form our conclusions, we undertook the following activities: reviewed information data management systems, procedures and controls; performed process interviews with persons responsible for overseeing efforts, identifying and mitigating risks; conducted online investigations of public records to determine legitimacy of IFF’s assertions; and reviewed several drafts of the Report along with supporting evidence. Further, additional detail was analyzed for three U.S.-based facilities in New Jersey during onsite visits in order to better identify gaps and execute controls that could be replicated across the enterprise.

Conclusions

Based on the assurance procedures conducted, nothing has come to our attention that causes us to believe that IFF’s sustainability-related strategies and key performance indicators defined in the 2015 Sustainability Report are materially misstated. Verifiers were intent on evaluating systems integration across the enterprise confirmed IFF’s efforts to institute sound policy, data management schemes and quality controls. IFF has made significant strides to introduce innovative solutions toward mitigating impacts and influence supply chain partners in the process. Continued internal alignment and capacity building will further strengthen IFF’s global sustainability practice.

Statement of Independence

ISOS Group is an independent professional services firm that specializes in sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the Report nor have they been associated with IFF’s sustainability program, data collection or strategic processes. ISOS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of competencies, can be found at: www.isosgroup.com

Signed on behalf of ISOS Group: San Diego | May 10, 2016

Nancy Mancilla
Project Lead

Alexandru Georgescu
Quantitative Analysis Lead

Christina Schwerdtfeger
GHG & Environmental Analyst

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G4-DMA Generic Disclosures on Management Approach	30	Environment > Our Management Approach	
G4-EN23 Total weight of waste by type and disposal method	31	Environment > Waste Management "Other waste" is defined as waste for which the disposal method is chosen by a third party provider of waste disposal services. Information about the disposal method for this category is not collected at the corporate level.	Principle 8
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G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	—	During 2015, the Company was notified by Chinese authorities of compliance issues pertaining to the emission of odors from several of its plants in China. As a result, the Company's Flavors facility in China was temporarily idled. Accordingly, the Company invested approximately \$6.5 million in odor-abatement equipment at these facilities to address these issues.	
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G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	48	Labor Practices > Occupational Health and Safety Omissions: IFF does not track occupational diseases or absenteeism at the global level.	
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G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	49	Labor Practices > Training, Education and Career Development	Principle 6
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G4-DMA Generic Disclosures on Management Approach	34	Our Supply Chain > Our Commitment Our Supply Chain > Our Approach	
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	35	Our Supply Chain > Performance in 2015 > Engaging our Suppliers	
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G4-DMA Generic Disclosures on Management Approach	41	Labor Practices > Employment Practices	
G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	—	In each of the 35 countries where we conduct business, we take seriously our responsibility to follow local regulations and respond to community and employee concerns. Where challenges arise, we do our best to uphold our high ethical standards of doing business. In 2015, less than 1% of working time was lost due to industrial disputes, strikes or walkouts.	

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G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	53	Human Rights	Principle 4
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G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	53	Human Rights Omission: The IFF Compliance Hotline permits anonymous calls and e-mails in any language 24 hours a day, 365 days a year. All grievances about human rights are addressed and escalated through appropriate mechanisms. At this time, grievances filed through the hotline are not tracked by the category of "human rights."	Principle 1
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G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	59	Product Responsibility > Customer Health and Safety	
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G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	61	Product Responsibility > Product and Service Labeling	
G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	61	Product Responsibility > Product and Service Labeling	
G4-PR5 Results of surveys measuring customer satisfaction	—	Our products are developed solely for the business-to-business market. Therefore, we do not have a system in place to measure satisfaction of the end consumer. However, we do have a robust system for measuring on-time performance (OTP) for all IFF shipping locations. If IFF does not meet the customer's first requested ship date, it is a penalty against the plant. OTP is a standard metric that is monitored daily by all facilities. Our customers track our performance and this is utilized during periodic performance reviews. IFF's Consumer Insights programs are designed to understand consumer experiences, preference, and the emotional bond between fragrances, flavors, and consumers. These insights drive us to create fragrances and flavors that people love, both within and across critical global markets.	

What If This Is Just the Beginning?

WE VALUE YOUR FEEDBACK

We welcome any questions, comments or suggestions you might have about this report: iff.com/contact-us

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