

2018 CORPORATE RESPONSIBILITY REPORT





WELCOME TO SENSIENT TECHNOLOGIES CORPORATION'S 2018 CORPORATE RESPONSIBILITY REPORT

This is our fourth annual report and it is designed to provide additional information about Sensient's operations as they relate to a range of issues including ethics, corporate citizenship, legal compliance, product and employee safety, environmental stewardship, and sustainability.

Sensient has a long-standing commitment to corporate responsibility and sustainable business practices. This Corporate Responsibility Report describes Sensient's efforts to meet its commitments for our products, customers, employees, environment, and the communities in which we operate. We view sustainable business practices as an important aspect of Sensient's economic health and core values, and we expect each employee to actively participate in and contribute to Sensient's efforts. We strive to prioritize Environmental, Social, and Governance initiatives that are closely related to our core business products and practices.

Although this is the fourth report of its kind for Sensient, we have a strong history of promoting sustainability in a variety of forms. This report provides both a summary of recent efforts and a view of where we hope to be in the future. I am particularly proud of our products that not only provide our customers with safe and superior technical performance, but also allow our customers to drastically reduce their environmental impacts. We believe that these products can drive real improvement in our environment.

Our efforts and commitment are continuing and, where feasible, expanding. As you review this report, I believe you will see that our approach to sustainability is consistent with Sensient's clear strategy to create sustainable growth and long-term shareholder value.

I want to conclude, on behalf of the Board of Directors, by thanking Sensient's shareholders, customers, and employees for your ongoing support of our efforts and commitment. I have high expectations for Sensient and look forward to continuing to update you on our efforts.

Sincerely,

Paul Manning

Chairman, President and Chief Executive Officer





INTRODUCTION

Sensient Technologies Corporation is a leading global manufacturer and marketer of colors, flavors, and fragrances. We employ advanced technologies to develop specialty food and beverage systems, cosmetic ingredients, pharmaceutical excipients, inkjet and specialty inks and colors, and other specialty and fine chemicals.

Our goal is to help our customers bring life to their products by helping them offer multi-sensorial experiences to drive brand excitement, customer satisfaction, and increase sales. The color, flavor, and fragrance systems we develop can be found in leading consumer products worldwide.

OUR SOLUTIONS



Specialty Food and Beverage Systems



Cosmetic Ingredients



Pharmaceutical Excipients



Inkjet and Specialty Inks and Colors



Other Specialty and Fine Chemicals.



OUR PRODUCTS



At Sensient, we pride ourselves on working to exceed industry standards for quality, safety, and security. We utilize state-of-the-art quality control testing and we welcome open audits of our products and facilities. Our facilities hold various certifications, including Food Safety System Certification (FSSC) 22000, British Retail Consortium (BRC), International Organization for Standardization (ISO), and Safe Quality Food (SQF) certification.

Sensient uses only quality raw materials from strictly qualified sources. We regularly inspect our suppliers, holding them to the highest standards of product quality and consistently working to introduce improvements. With the formal introduction of our Supplier Code of Conduct this year, we are now endeavoring to ensure our suppliers are also conforming to high ethical and legal standards of behavior. And, if any supplier intentionally violates these norms, we will find a new supplier for that product.

We also work directly with growers of the natural ingredients we use throughout our

business segments, sharing best practices and collaborating with these growers to sustainably produce ingredients that meet our strict quality and safety requirements. To help ensure the safety of our products, all of our raw materials are part of a detailed traceability program and we have robust product, environmental, and raw material screening programs that are designed to exceed industry standards. When we receive incoming raw materials, we do not simply accept a supplier's certificate of analysis at face value. We diligently and consistently test and analyze in order to confirm the supplier's product content and sustainability practices. We do not believe this is a common practice in all of our industries.

We recognize that Sensient is just one part of the sustainability supply chain. We regularly collaborate with our customers to understand and meet their expectations, as well as industry standards, related to product delivery and quality and sustainability.

Sensient seeks to be a leader in the environmental sustainability movement. Our products and

solutions are developed with the goal of reducing production and application waste. As a Company, we have always understood that waste and suboptimal use of resources is just bad business. To avoid this, we do things like providing delivery systems and pigments that reduce color waste and promoting crop development programs that produce stable botanical sources for our raw materials and sustainable returns for farmers. Our products lend themselves to sustainable business practices as our portfolio is heavily weighted toward natural and other water based

applications, even in our industrial inks business. Also, as our customers continue to embrace the advantages of natural ingredients and the benefits of products with clean labels, Sensient continues to expand its already robust portfolio of natural solutions in food colors and flavors, nutraceuticals, Sensient Natural Ingredients products, fragrances, and cosmetics. We have also been working to develop natural product solutions for more customer applications, including preservative- and GMO-free alternatives and Organic and Fair Trade Certified products.

PRODUCT SUSTAINABILITY HIGHLIGHTS

Seed-To-Shelf Strategy

Sensient has various ongoing initiatives under our “seed-to-shelf” strategy to innovate across the value chain for natural and organic ingredients. Approximately 80% of food products launched globally today use natural colors and coloring foodstuffs – we anticipate that this market will continue to grow. Our strategy is to understand and have direct involvement in our natural raw materials from “seed” planting through processing to sale from the “shelf” of a store. This strategy enhances our ability to provide food

and beverage manufacturers with better natural colors through our agronomy technology, quality and safety controls, and process engineering expertise.

As consumers around the world continue to transition away from certain types of additives, including ingredients viewed as synthetic, it is even more critical for Sensient to provide innovation across the natural color value chain. Here are the four key reasons:



Transparency

Supply chain transparency is an important macro consumer trend.



Cost-In-Use

Improved color crop seeds and innovative and sustainable agricultural practices can best reduce cost-in-use.



Supply and Cost Certainty

The food color business is subject to short-term pricing volatility due to geopolitical disturbances and adverse weather. Sensient is committed to providing a greater level of stability to food manufacturers globally through careful, long-term planning.



Sustainable and Socially Responsible Sourcing

As a company, Sensient is committed to sustainability. It is certainly possible to initiate agricultural programs that support sustainability efforts without any vertical integration, but from our experience, a greater impact is made when we have a larger, vested presence and partnership with our growers to ensure their business practices are compliant with our standards and their workers are compensated fairly.



Acquisition of Mazza Innovation

In 2018, Sensient acquired Mazza Innovation Limited, a botanical extraction business located in Vancouver, Canada. The addition of Mazza is a part of Sensient's "seed-to-shelf" strategy and provides Sensient with an umbrella extraction technology that will support applications for both the Flavors & Fragrances and Color segments. PhytoClean™ is Mazza's patented core technology that yields clean ingredients in an earth-friendly manner. PhytoClean™ employs an environmentally-responsible extraction method that applies heat and pressure to water to lower its polarity, causing it to behave like an organic solvent. The process consumes less energy than traditional extraction methods and its by-products are non-toxic and easily composted or disposed of without harm to the environment. PhytoClean™ also minimizes risk to employee health, safety, and the environment by eliminating the use of hazardous organic solvents that require environmentally-intensive operations, complicated safe-handling procedures, and specialized hazardous waste management processes. A great deal of today's extracts are brought to market using organic solvents. Our technology enables Sensient to work with leading food, cosmetics, and nutraceutical brands to create cost effective, clean-label products that deliver on consumer expectations for taste, color, and functionality.



Acquisition of Sensient Natural Colors Peru

Also in 2018, Sensient acquired the natural color business of GlobeNatural, a natural food and ingredient company based in Lima, Peru. This acquisition is also an important component of Sensient's "seed-to-shelf" strategy in food colors, and enables Sensient to participate earlier in the process flow for annatto and carmine and expands our suite of anthocyanin color sources as well. Operating as Sensient Natural Colors Peru, the business works in close cooperation with local farmers to create a range of natural colors. Made from local raw materials and produced in our fully certified facilities, all botanical colors from Sensient Natural Colors Peru meet the highest international quality control standards and food safety requirements of our rigorous Certasure™ program, which is described below. The colors produced by Sensient Natural Colors Peru are used in a wide range of food and beverage applications in every region of the world.

Certasure™ Certification Program

Current regulations for colors derived from natural sources lack both consistent definitions and publicly available quality control and product safety specifications and requirements. There is also a lack of agreement regarding appropriate methods and standards for testing the purity of these colorants.



Moreover, contaminants of various kinds can be found in many of the raw materials used for natural colors. For example, lead is commonly present in low-quality turmeric powders because a large amount of turmeric is grown in soil with a high-lead content in parts of China and India; this has led to six companies in the U.S. conducting voluntary recalls of products containing turmeric.

To address this regulatory and product safety lacuna, Sensient has created a comprehensive certification program for colors derived from plant sources that combines stringent quality testing, comprehensive vendor certification, full raw material traceability, and good manufacturing practices to ensure that colors from natural sources meet all safety and authenticity requirements. Certasure™ aims to ensure that consumers receive safe, quality products free of harmful contaminants such as pesticides, heavy metals, unauthorized solvents, and pathogens.

The Certasure™ program is working. For example, Sensient's internal testing program has detected and rejected 90% of the tested paprika batches in the last three years due to the presence of pesticides. Overall, one in four food products failed Sensient's testing protocols based upon the presence of microorganisms, adulteration, heavy metals, pesticide, and/or residual solvents.

Backed by Sensient, Certasure™ provides food manufacturers full brand protection. To our knowledge, Sensient is the only food color company that adheres to Certasure™ standards.

Palm-Free Natural Food Colors and Flavors

Palm oil production has skyrocketed over the past 20 years and is now the world's most widely produced food oil. It can be found in every food and beverage category because of its low cost and high stability. The rapid expansion of palm oil plantations, however, has raised concerns regarding deforestation and wildlife habitat preservation.

To combat these concerns, Sensient's research and innovation teams have developed a broad library of sustainable and environmentally friendly natural

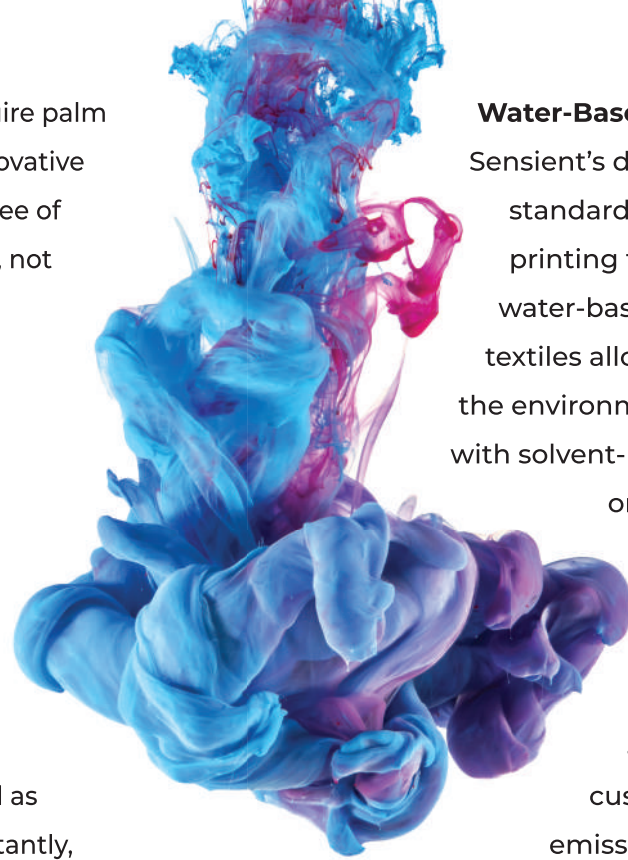


color options that do not require palm oil-based products. These innovative technological platforms are free of all palm-derived components, not simply the active pigment. In extensive stability testing, the new palm-free natural colors have proved to be very well-protected against color degradation, making them ideally suited for food and beverage applications. From a coloring perspective, palm-free formulations can be used as an excellent and, more importantly, sustainable alternative because they do not differ in shade or appearance.

In addition, several Sensient business units across both our Colors and Flavors Groups have engaged with the Roundtable on Sustainable Palm Oil (RSPO), either as members or as supply chain associates to support the RSPO process / system.

Coloring Foodstuffs

In addition to our extensive portfolio of natural colors, we offer a full range of coloring foodstuff products made from fruits, vegetables, and other edible plant sources for our European customers. Coloring foodstuffs are the ultimate clean label solution, as they are considered food ingredients rather than color additives. Our coloring foodstuffs are manufactured using only water for extraction and are made from only the highest quality source materials. Moreover, each batch of our coloring foodstuff product is approved through our Certasure™ process, so our customers can be assured of safety and quality with every purchase.



Water-Based Digital Inks

Sensient's digital inks continue to set the standard for environmentally friendly printing technology. Our portfolio of water-based inks for digital printing onto textiles allows our customers to avoid the environmental impacts associated with solvent-based inks of the past. Not only do these products have the potential to dramatically reduce water consumption and pollution generated during processing, they also dramatically lower our customers' energy use and related emissions. Furthermore, these inks help our customers meet Greenpeace's

Detox Campaign, which calls on clothing manufacturers to commit to phase out the use and release of toxic chemicals from their global supply chain and products by January 1, 2020.

Our most recent breakthrough technology platform allows our customers to utilize a unique method of digital printing that prints directly onto polyester fabric with innovative water-based inks. This platform, ElvaJet® Alpha, is an ink and process aimed at improving the sustainability of industrial textile printing by conserving natural resources without compromising the quality of the customer's finished products. The inks developed under this platform offer superior color vibrancy and print quality. The inks can be applied directly onto virtually any polyester textile and are fixed with dry heat. No washing or other finishing steps are needed, thereby eliminating a vast amount of solvent filled wastewater that has traditionally been directly discharged to rivers and streams in many

parts of the world. In fact, the World Bank estimates that 20% of the world's water pollution can be linked to the processing of textiles.

The ElvaJet® Alpha process is sustainable and environmentally friendly, providing enormous reductions in water use and wastewater treatment compared to conventional textile manufacturing. Another line of our water-based inks portfolio,

We have also largely eliminated our paper dye business.

SensiPro™ Turf Colorants

Sensient's SensiPro™ line of environmentally friendly turf colorants provides several sustainability-related benefits for our customers. Among its most significant uses is as a colorant for golf course turf, allowing our customers to

IN SOME CASES, WE HAVE REDUCED WATER CONSUMPTION IN TRADITIONAL TEXTILE PRINTING ALMOST COMPLETELY.

GIVEN THAT AS MUCH AS 20% OF THE WORLD'S FRESH WATER POLLUTION LIKELY COMES FROM TEXTILE PROCESSING, OUR TECHNOLOGY HAS THE POTENTIAL TO BE A TRUE GAME CHANGER.

ElvaJet® Opal SC, was awarded ECO PASSPORT by OEKO-TEX® certification in February 2018. The ECO PASSPORT certification allows our customers to confirm compliance with principles of sustainable textile manufacture. With ECO PASSPORT status, ElvaJet® Opal SC is also considered compliant with the Zero Discharge of Hazardous Chemicals (ZDHC) Programme, which accepts the OEKO-TEX® certification as indication of conformance with the organization's Manufacturing Restricted Substances List (MRSL) in connection with the ZDHC Gateway – Chemical Module.

drastically reduce water and fertilizer usage during hot, dry summer months and in parts of the world affected by ongoing droughts.

An additional use is as a spray pattern indicator for turf chemical applications, allowing our customers to reduce turf chemical and fertilizer usage by providing a visual application indicator, eliminating unnecessary overlap applications and reducing the potential harmful environmental impacts caused by over-application of turf chemicals and fertilizers.



Sensient Natural Origins®

Our Sensient Natural Origins® extract line provides our customers with an environmentally friendly solution for imparting authentic, natural botanical flavor profiles in their products. These extracts rely on clean technologies such as molecular distillation, carbon dioxide extraction, and extraction using green solvents as an alternative to traditional extraction using harsh solvents.

In addition, all solvents used in Sensient Natural Origins® process are recycled to minimize waste generation, further reducing the environmental impact of the process.

Finally, our sustainable supply chain philosophy for these flavors calls for local sourcing and for using all components of our raw materials, including recovery and sale of co-products produced during our manufacturing process, to result in a product with a smaller environmental footprint.

Cosmetics

Our Cosmetics business has initiated a new innovation platform dedicated to the creation of natural, biodegradable, and renewable products. Not only do these products provide superior performance in our customers' applications,

they also support our customers' demand for sustainable raw materials for their clean label applications. We also have natural hair dyes to replace permanent and semi-permanent dyes, which utilize a host of solvents.

Fragrances

Our Fragrances business is active in utilizing the principles of "green chemistry" to minimize the environmental impact of chemical processes and promote the use of renewable resources. For example, our SensiCaps® line of microencapsulated fragrances is formulated without formaldehyde,

opening up exciting opportunities for delayed-release and layered fragrances in the cosmetics and personal care products markets. We have also implemented the use of a new forest product chain-of-custody certification for raw materials sourced from sustainable forest operations.



Sustainable Agriculture

Sensient has initiated and supported a number of programs to source agricultural raw materials from economically under-developed areas around the world. These programs provide needed skills training and a source of income for farmers while providing us with a reliable supply of sustainable raw materials. Following are some examples of these programs:

- We have launched a joint project with agricultural cooperatives in certain European and African communities to evaluate the feasibility of growing certain secondary agricultural products in between the growth cycle of a traditional primary crop, such as wheat, barley, or peas. In regions where typically only a single crop is harvested per year, this project has the potential to offer the community an additional source of income during otherwise fallow periods and while also helping to meet Sensient's demand for agricultural raw materials outside of their normal growing cycle. Importantly, by growing

the secondary crop after the primary crop, the project allows for the growth of the new crops without decreasing the available agricultural surface area used to grow food crops.

- Sensient is also working to plant color crops in marginal agricultural lands that are generally inhospitable to most other crops and have little potential for profit due to environmental conditions unfavorable to crop growth. Planting color crops in these areas will help prevent erosion, does not displace food crops, and promotes healthy soil.
- We have embarked on a new project to promote the local sourcing of agricultural raw materials for our Mexican businesses. As part of this project, Sensient provides coaching and training to farmers along with a medium-term supply contract. Thus far, this program has helped to create 60 new jobs, providing much-needed skills and economic opportunity to an economically challenged rural community.
- In Uganda, our strategic partner employs over 300 families, some displaced from nearby war-torn countries, in the growing of sustainable crops. In exchange for their work, parents are provided with new skills, income, food, housing, and education for their children. This partnership has been especially beneficial in empowering African women, some of whom currently hold senior management positions within our partner's organization. During the severe drought of 2016, Sensient provided financial assistance to install an irrigation system to save the farms from complete

devastation. This system also ensures that the farms will be protected from the threat of droughts in the future. We have also worked to reforest tropical rainforest areas when planting color crops in Uganda.



- In the Philippines, our contract farms employ dozens of families, some of whom were evacuees from the devastation of Typhoon Haiyan. Because of the jobs created by Sensient, these families are now able to send their children to school. This past year, Sensient distributed backpacks filled with school supplies to 300 needy children in two local farm community schools.
- We are also intercropping color plants in old and erosion-prone coconut plantations in the Philippines. This has several important sustainability benefits:
 - Does not displace major food crops.
 - Preserves biodiversity by not cutting down forests for farming space.
 - Greater income, yield per unit area.
 - Better pest and disease control insurance against crop failure.
 - Reduces erosion and weed control.
 - Improves overall soil health.

Responsible Mica Initiative

Natural mica is a raw material in several Sensient product lines. Mica is sourced from India, where child labor has historically been a concern. To help eradicate child labor and unacceptable working conditions in the Indian mica supply chain, Sensient Cosmetic Technologies has joined the Natural Resources Stewardship Circle, an organization dedicated to collaborative actions such as the creation of “child friendly villages,” whose purpose is to ensure that children are removed from work and instead enrolled in school. Sensient also employs its Supplier Code of Conduct to ensure that its suppliers are compliant with all applicable legal and ethical standards.

Natural Ingredients

Sensient Natural Ingredients offers an expansive portfolio of agricultural products that takes sustainability to the next level. Our PhD plant breeders and research personnel constantly strive to develop improved strains of seed lines that enhance quality and productivity and reduce overall energy requirements. Our traditional breeding program consistently introduces new crop varieties in order to more efficiently use land and water resources and to reduce

the amount of fossil fuels consumed per unit of production. We are proud that our non-GMO breeding program yields some of the most efficient processing crops in the world.

Located in California's prime agricultural growing region, Sensient Natural Ingredients calls on its network of local farmers and partnerships going back several generations to cultivate its garlic, onion, and capsicums while maintaining strict supply chain management and unparalleled traceability.

With control over each step of the process, Sensient utilizes decades of process knowledge to ensure ideal ground selection, proprietary development of seed varieties, a customized planting and harvesting process, and specialized processing facilities to ensure the safety, stability, and sustainability of its products. Through our field representative program, we partner with our growers to share best practices in farming that are unique to our products in areas such as integrated pest management, improved nutrient



management, water conservation, and other proprietary farm management systems and tools. Many of those relationships span decades as our growers are integrated partners in our supply chain.

These long-term collaborative relationships have led to environmental and efficiency improvements, such as the conversion of major portions of our production ground to drip irrigation – the most efficient technology for reducing overall water and fertilizer consumption.

Our commitment to sustainability continues in our processing operations, where 100% of the water we use to wash our harvested crops is reused for irrigation in nearby farm fields. In addition, 100% of residual skins and sheds from our processing operations are used to produce compost to support the growing of crops.

Finally, in response to the increasing demand for organic agricultural products grown in the United States, Sensient is proud to offer its organic-certified, California-grown line of garlic, parsley, paprika, onion, chili pepper, ancho pepper, and jalapeno pepper. Sensient's line of organic products are grown according to the USDA's National Organic Program standards without the use of

any synthetic fertilizers, herbicides, or insecticides. Transported to our organic certified facility and processed within 24 hours of harvest, Sensient's organic products are well taken care of to ensure safety and high quality from farm to table.

GMO-Free Food Product Lines

To help our customers meet consumer demand for foods that do not contain GMOs, Sensient offers a comprehensive range of GMO-free products and non-GMO project verified across our entire portfolio, from natural colors to hydrolyzed vegetable proteins.

Sponsoring Science Education

Sensient has sponsored research assistantships for six women and two men at University of Padjadjaran, Bandung, Indonesia in food/agro science related fields.

Certifications

Sensient has initiated organic certifications in the Philippines with Control Union with the goal of completing certifications for two farms in 2019. We have also initiated Fair for Life certifications with ECOCERT ICO with the goal of certifying at least three farms (two in Asia; one in South America) in 2019.





OUR EMPLOYEES

Our employees are our most important asset – Sensient takes pride in our robust health and safety programs, which help ensure that all of our people have safe working conditions. Our employees are also our customers. By focusing on employees, we empower them and improve our programs to ensure that Sensient remains a world-class organization. Following are examples demonstrating our commitment and progress toward achieving our ultimate goal of providing the safest workplace possible:

- Implementation of best-practice programs and management systems across all business units worldwide.
- Ongoing capital investments aimed at creating the highest standards for environment, health, and safety in each of our plants around the world.
- Meaningful use of metrics to apply leading and lagging indicators toward incremental improvement and sustainable results.
- Appropriate training and a corporate culture that expects employees to perform their jobs safely.
- Regular communication and engagement with employees on safety topics through safety committee meetings, plant-wide communication meetings, and “tool box” meetings.
- Root cause analysis of all injuries and near misses to ensure that lessons learned can be applied across the entire organization.



In addition to our commitment to providing a safe workplace, Sensient also seeks to provide a work environment that is respectful of every person and is free from judgment, discrimination, intimidation, and harassment based on race, religion, color, sex, age, national origin, disability, genetic, veteran or military status, sexual preference, or any characteristic protected by any applicable local or national law. Sensient’s Code of Conduct specifically prohibits discrimination, intimidation, and harassment and calls for summary termination of anyone found to have violated these policies.

Indeed, once again this year, every confirmed violation of the Sensient Code of Conduct resulted in termination.

We employ these same anti-discrimination principles in our hiring practices. We are proud of our commitment to hiring the best, most well-qualified people without regard to any factor other than professional merit and the content of their character. And we continually endeavor to treat each person as an individual entitled to respect and dignity based upon their individual character. The result is a workforce made up of incredibly talented people from many diverse backgrounds.

This extends to our nominating practices for our board of directors, where this past year we were named a “2020 Women on Boards Winning Company” for the seventh year in a row and recognized by Milwaukee Women Inc. for the gender diversity on our board.

We firmly believe that every Sensient employee contributes to our success. To reward our employees and attract other high performers, not only do we offer competitive compensation, we offer a wide variety of benefits and other programs to recognize the contributions of our employees and promote their well-being, including the following:

- Comprehensive benefits programs that allow employees to select the plans and levels of coverage best suited to meet their needs, including health insurance benefits for our full-time employees and their families and supplemental health insurance for employees in countries with public health systems. We also allow our part-time and seasonal employees at our Natural Ingredients business to participate in our Savings Plan (401K) program.
- Generous paid time-off policies to promote better work/life balance for mothers and fathers.
- Scholarships and tuition assistance for eligible employees to further their career development and to increase their value to Sensient.
- Support of Executive Order 13518, The Veterans Employment Initiative, to help U.S. military veterans find civilian employment.
- Paid internship and co-op programs to educate the future of our industry with valuable hands-on experience and training.
- Sales Training Program that provides extensive, real-life job experience and classroom learning to develop high-potential candidates into successful sales account managers.
- Opportunities for employees to participate in international work assignments.
- Ongoing training for people managers to lead, coach, and support our employees.
- Robust talent management practices including individual development planning, a high-potential program, and an effective succession planning program.
- Opportunities for promotions within and across functions.
- Innovation program that provides cash payments for employees who solve key technical challenges.
- In conjunction with National Merit Scholarship Corporation, Sensient offers college scholarships to the eligible children of U.S. employees. Each scholarship winner receives \$3,500 per year of college for up to four years.
- Home computer purchase assistance for eligible employees.



OUR ENVIRONMENT



Sensient is committed to the principles of sound environmental stewardship and the responsible and sustainable use of energy and natural resources. We view these principles as important aspects of our economic health and core values. We expect each employee to actively participate in and contribute to this Corporate philosophy. Our Code of Conduct requires each Sensient employee and facility to comply with all applicable local and national environmental laws and regulations. All Sensient facilities are required to operate in a manner to avoid harm to the environment, prevent pollution, and reduce waste.

Sensient has a strong record of environmental compliance in all of our facilities in more than

30 countries. But we recognize that compliance alone is not sufficient to meet global sustainability challenges. We are committed to conserving our natural resources and to improving our environment so future generations can live healthy, prosperous lives. We are constantly evaluating new ways to reduce our environmental impact as measured through our energy consumption, water consumption, and generation of waste materials.

To measure and report on our progress at reducing our environmental impact of our diverse manufacturing operations, Sensient has identified the following key performance indicators against which we will measure our progress:

- **Energy intensity:** Total energy consumption by our manufacturing facilities per unit of production. This indicator includes electricity purchased from utilities as well as fuel purchased for use on-site in equipment such as boilers, heaters, and dryers.
- **Water intensity:** Total volume of water consumed by our manufacturing facilities per unit of production. This indicator includes groundwater withdrawn from onsite wells as well as water purchased from utilities. The primary uses of water at Sensient facilities are for cleaning and cooling equipment and as a raw material in our products.
- **Hazardous waste intensity:** Total amount of hazardous waste (as defined by local regulation) generated by our manufacturing facilities per unit of production. Given the nature of our

operations, the majority of the hazardous waste generated by Sensient facilities is in the form of unsaleable products and laboratory wastes as opposed to industrial processing wastes

We have established the following 10-year goals with respect to each of these key performance indicators:

- **Energy intensity:** Reduction of 15% by 2025
- **Water intensity:** Reduction of 15% by 2025
- **Hazardous waste intensity:** Reduction of 10% by 2025

We are on our way to meeting each of these goals. The following pages contain examples of specific projects carried out at one or more of our facilities to help us realize these goals.



Sensient is constantly looking for opportunities to drive sustainability in our day-to-day operations. Not only does this reduce our environmental footprint, it also allows us to operate more cost effectively and provide greater returns to our shareholders. Following are some specific examples of sustainability-related projects conducted at one or more of our manufacturing plants, research and development laboratories, or business offices over the past year:

Energy Reduction

- Upon expiration of existing energy contracts, every Sensient facility now must first attempt to secure all energy needs from renewable, zero-emission power sources.
- Entered into a long-term agreement to receive 100% of electrical energy requirements of a manufacturing facility in New Zealand from

renewable energy sources, helping to offset over 220 tons of carbon dioxide emissions annually, and at a lower cost than previously paid for energy from non-renewable sources. At the time of issuing this report, we are in the process of entering a similar agreement for one of our facilities in Mexico.

- Installed oxygenation system to enhance microbial degradation of process wastewaters in facility's biological wastewater pretreatment system, resulting in energy savings of approximately 300 megawatt hours (MWh) per year.
- Relocated offices associated with a manufacturing facility to a more energy efficient building.
- Replaced all distribution pumps in building heating system to achieve energy savings of over 10,000 kilowatt hours (kWh) per year.

- Replaced old lighting with light-emitting diode (LED) fixtures to achieve energy savings of over 58,000 kWh per year.
- Reduced operating pressure of plant compressed air system to achieve energy savings of almost 2,000 kWh per year.
- Replaced old dispersion equipment with new, energy-efficient unit, resulting in energy savings of almost 13,000 kWh per year.
- Replaced conventional magnetic ballasts in light fixtures throughout facility with electronic ballasts, which use less energy and have longer service life.
- Continued program to replace air conditioning units with units that use eco-friendly refrigerant.
- Replaced halide lighting in warehouse with LED lights.
- Continued three-year project to improve efficiency of natural gas usage in boilers from 72-75% to >85%.
- Continued electrical motor replacement campaign to enhance energy efficiency.
- Operated energy-efficient adiabatic evaporative humidifiers for employee comfort, at an energy savings of 80% over conventional mechanical cooling.
- Continued roll-out of video conferencing technology across our entire business, eliminating travel-related energy consumption whenever and wherever possible.
- Optimized logistics to minimize number of freight pickups to reduce fossil fuel consumption and emissions.
- Continued program to specify energy-efficient LEDs for all new construction and refurbishment projects.
- Utilized variable frequency drives in process and process support equipment where feasible to reduce power consumption.
- Continued installation of timers, daylight sensors, and personal infrared sensors on lighting systems at various facilities to reduce electricity use associated with lighting.
- Added window tinting to exterior windows to minimize solar heat penetration and reduce energy load on air conditioning systems.
- Implemented program to use hydrocarbon waste stream as fuel source in boilers, resulting in reduced use of fossil fuels and cleaner emissions from boilers.
- Installed adiabatic chiller to replace cooling tower, resulting in a 23% reduction in power consumption and 58% reduction in run-time required, equating to over 25,000 kWh per year in energy savings.
- Replaced existing hot box for warming of materials in intermediate bulk containers with new, energy-efficient model.

Waste Reduction

- Instituted program to recycle virtually all waste from inbound raw material packaging at one of our largest manufacturing facilities. This program is anticipated to divert approximately 159 tons of packaging materials per year from local landfills.
- Implemented recycling program for cardboard and plastic waste to reduce landfill usage by approximately 82 tons per year.
- Began program of culturing microenzymes to sustain the development and fast growth of microorganisms used in facility's biological wastewater pretreatment system to enhance treatment performance.
- Continued to upcycle 100% of the waste products from our anthocyanin extraction process by recovering spent grape seeds for vegetable oil production; tartaric acid for use as a food additive; sugars for fermentation into alcohol; and spent grape skins as feedstock for biogas production.
- Specified single-material packaging from suppliers to improve recyclability of packaging materials.
- Began operation of wastewater pretreatment system to reduce pollutant loadings in wastewater discharged to sanitary sewer.
- Switched to 100% recycled content cardboard boxes.

- Continued use of 100% recyclable intermediate bulk containers.
- Maintained "Clean Industry" certification at two Mexican manufacturing plants in recognition of our waste and pollution control and minimization activities.
- Reduced usage of packaging material for finished products where possible by increasing container volumes and utilizing tailor-made packaging solutions such as bag-in-box solutions for certain applications, reducing packaging weight and waste and resulting in less fuel consumption for transportation.
- Reduced usage of packaging material for raw materials where possible by sourcing larger container sizes.
- Promoted reduction of the use of plastic bags in the community by supplying eco-friendly bags with Sensient's logo.
- Continued to upcycle significant volumes of spent yeast waste streams from beer breweries for recovery and reutilization in flavor and bionutrient manufacturing.
- Utilized excess capacity in facility's main air scrubber to collect and control unregulated sources of fugitive emissions.



- Installed oxygenation system to enhance microbial degradation of process wastewaters in facility's biological wastewater pretreatment system, reducing pollutant loads to the municipal wastewater treatment system.
- Installed new high shear mixer that eliminates discharge of fugitive dust emissions from process.
- Installed new wastewater pretreatment system to remove metals from process wastewater.
- Installed new inline chemical oxygen demand (COD) analyzer to optimize performance of biological wastewater treatment system.
- Collected and segregated high-strength wastes for separate treatment to reduce organic loading to a wastewater treatment plant.
- Continued to beneficially reuse 100% of food processing by-products generated by our Natural Ingredients business as soil amendments and nutrients for growing crops at local farms.
- Virtually eliminated the use of straws, plastic, and paper cups throughout the organization.

- Donated recyclable materials from a manufacturing facility in Brazil to a local cooperative that finds markets for the materials and keeps the proceeds as a source of income, thereby reducing our volume of landfilled waste and helping the local community.
- Introduced "green" catalyst in several chemical synthesis processes, resulting in more efficient processing and the generation of smaller volumes of wastewater.
- Installed adiabatic chiller to replace cooling tower, eliminating the use of water treatment chemicals and avoiding landfill disposal of water treatment chemical packaging.
- Installed membrane bioreactor in existing wastewater treatment plant to improve treated water effluent quality well below permitted limits.
- Upgraded quality control lab equipment with more environmentally friendly technology, significantly reducing volume of physiochemical and microbiological testing residues requiring disposal.



Water Reduction

- Continued operation of closed-loop noncontact cooling water system with cooling tower, reducing water use by 264,000 gallons per year compared to prior single-pass system.
- Continued five-year project to replace all single-pass noncontact cooling water systems in the facility with closed-loop noncontact cooling water systems, estimated to reduce water use by 250,000-350,000 gallons per day.
- Continued five-year project to reduce process water use by 43% through water reuse initiatives and water conservation measures.
- Installed closed-loop water cooling system in a production area, reducing water use by almost 400 gallons per batch.
- Installed solenoid valves in production vessels equipped with cooling water systems to stop the flow of water when the equipment is not in operation.
- Constructed a station to clean intermediate bulk containers to reduce wash water consumption.
- Increased use of dry cleaning systems in which residual powder wastes are vacuumed out of process vessels prior to washing with water, reducing water consumption as well as pollutant loadings contained in wastewater generated by cleaning operations.
- Optimized reverse osmosis water supply treatment system to reduce volume of water backwashes required, reducing ongoing water usage by 12%.
- Beneficially reused 100% of our process rinse water in our Natural Ingredients business to irrigate crops at local farms.
- Recovered and reutilized significant cooling water stream in one of our manufacturing facilities, resulting in the conservation of over 4,000 gallons per day of clean water.
- Reconfigured process equipment to allow for easier cleaning, reducing water and steam required for each cleaning cycle.
- Continued implementation and use of clean-in-place technology to dramatically reduce the amount of water used during cleaning of process equipment.
- Implemented new foam cleaning devices to reduce the use of water in equipment cleaning operations.
- Installed cooling loop to reduce cooling water consumption for laboratory quality control equipment.
- Reused treated process wastewater for use in gardening and outside cleaning activities to reduce consumption of fresh water.
- Installed automatic water faucet shut-off valves to reduce water use in washrooms.
- Installed closed-loop adiabatic chiller to replace open-loop cooling tower, resulting in reduced water consumption.
- Designed facility gardens with low-maintenance plants with low water requirements to reduce water required for landscape irrigation.



SOCIAL RESPONSIBILITY

Sensient strives to conduct business in an ethical manner and to make a positive contribution to society through our product offerings and business activities. We have a comprehensive Code of Conduct that governs all of our employees worldwide to ensure a culture that promotes ethical behavior and requires compliance with all applicable laws. All employees, as well as Sensient's Board of Directors, receive comprehensive training on our Code of Conduct on an annual basis.

Through our Supplier Code of Conduct, we also seek to work with suppliers that share our values. Requirements and expectations for ourselves and our suppliers include the matters described below. In the event local standards on a matter do not exist or do not meet these ethical standards, Sensient and our suppliers establish employment practices and apply U.S. standards where appropriate while complying with local law. We reserve the right to inspect the operations and records of our suppliers to establish compliance with these standards.

Compliance with the law and observing our ethical obligations are absolutely essential conditions for fulfilling our duties to each other, our customers, and society as a whole. Our minimum requirements and expectations include, but are not limited to:

- Antitrust and Fair Competition. Sensient and our suppliers will comply with all fair competition laws and not engage in illegal monopolies, illegal behavior, price fixing, collusive bidding, price discrimination, and other unfair practices.
- Intellectual Property. Our suppliers must respect Sensient's and third parties' intellectual property rights. Suppliers must promptly notify Sensient if they know or suspect that their products, or Sensient's use of their products, infringe any third party intellectual property rights.
- Conflict of interest. Our suppliers are expected to avoid and report all conflicts of interest resulting from their business dealings with Sensient and to notify Sensient if any Sensient employee has business, financial, or personal ties to the supplier that may influence such employee's decisions.
- Gifts. Gifts to or from Sensient employees are neither expected nor necessary for business relationships suppliers and Sensient. Our Code of Conduct prohibits Sensient employees from giving or receiving gifts of more than a token value, and all gift-giving is limited.
- Embargoes and Trade Law. Sensient and our suppliers are expected to comply with all applicable trade laws and restrictions imposed by the United Nations, the United States, and other national governments.
- Management and Transparency. Our suppliers are expected to have systems in place to track compliance with applicable laws and regulations and to investigate, to the extent allowed by law, allegations of misconduct. Suppliers must immediately inform Sensient in writing if they are aware of any negative publicity regarding the supplier or any product supplied to Sensient.



- No forced labor. The use by Sensient or any supplier of slaves or forced labor of any kind is prohibited, including prison labor, non-rescindable contracts, or labor obtained through threats of punishment, deposits of bonds or travel documents, or other constraints. Sensient annually files a transparency statement in compliance with the UK Modern Slavery Act 2015 and expects suppliers subject to the Act to do so as well.
- No child labor. Work by children under the age of 15 years for Sensient or any supplier (or any higher age established by applicable law) is strictly prohibited. In addition, suppliers are expected to conform to Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labor) of the International Labor Organization.

- No harassment or abuse. Sensient expects all employees to be treated with respect and dignity and prohibits harassment and abuse of any kind. We hold our suppliers to the same standards.
- Nondiscrimination. Sensient provides equal employment opportunities to all people without discrimination because of their race, religion, color, sex, age, national origin, disability, genetic condition, veteran or military status, sexual preference, or any other characteristic protected by applicable law. We expect the same from our suppliers.
- Reasonable compensation. Sensient and our suppliers will pay reasonable compensation that, at a minimum, complies with all applicable laws and requirements.

- Working hours and overtime. Sensient and our suppliers will comply with all applicable requirements and limitations set by the laws of the country of manufacture and may not require excessive overtime.
- Workplace health and safety. Sensient is committed to worker health and safety. Our suppliers must provide a safe workplace for their workers including, at a minimum, adequate lighting, ventilation, potable water, and sanitary facilities. Where applicable, suppliers must provide safety equipment, guards, and personal protective equipment to protect workers from hazardous machinery and materials.
- Environmental impact. Sensient is committed to sound environmental management. Our suppliers must also conduct their businesses in compliance with applicable requirements in a way that minimizes impact to the environment.

- We also expect our suppliers to support our own efforts by implementing sustainable operating practices and striving to reduce their use of energy and water and to minimize generation of waste.
- Property rights. Our suppliers must respect property rights in the communities in which they operate and must ensure fair negotiation on all land transfers to which they are a party, and compliance with all applicable laws and regulations related to property rights.
 - No bribery or corrupt payments. Bribery of government officials or private persons is strictly prohibited. We have a comprehensive anti-bribery policy that requires strict compliance with the United States Foreign Corrupt Practices Act as well as the United Kingdom Bribery Act. This policy applies to everyone who works for or with Sensient, including all directors, officers, employees, third-party business partners, and other intermediaries who interface with government officials on Sensient's behalf.

Corporate Governance, Legal Compliance, and Risk Oversight

Sensient's Board of Directors is responsible for overseeing the management of Sensient's business and affairs, including management's establishment and implementation of key strategic priorities and initiatives. Long-term, sustainable value creation and preservation are possible only through the prudent assumption and management of both risks and potential rewards, and Sensient's Board as a whole takes a leading role in overseeing its overall risk tolerances as a part of the strategic planning process and in overseeing Sensient's management of strategic risks. The Board has delegated to the Audit Committee primary responsibility for overseeing management's risk assessments and implementation of appropriate risk management policies and guidelines, including those related to financial reporting and regulatory compliance. It has delegated to the Compensation and Development Committee primary oversight responsibility to ensure that compensation programs and practices do not encourage unnecessary or excessive risk-taking and that any risks are subject to appropriate controls. It has delegated to the Nominating and Corporate Governance Committee primary oversight responsibility to ensure that Sensient's governance standards establish effective systems for monitoring and accountability. It has delegated to the Finance Committee primary oversight responsibility with respect to Sensient's capital structure and the types and amounts of insurance and with respect to foreign currency management.

Additionally, the entire Board, along with five non-director members who are recognized food science or food safety experts, participates in the

Scientific Advisory Committee, which monitors and reviews new product development programs, industry trends, and technical and regulatory issues related to Sensient's product lines. The Board and these committees receive periodic reports on these matters from management and personnel in charge of the related risk management activities. Furthermore, the Board has direct access to all elected officers of Sensient and routinely receives presentations from Group Presidents, General Managers of the various business units, technical leaders, and product safety leaders.

Since 2013, the Board has updated and implemented a number of robust policies and compliance programs to address various areas of legal and regulatory risks, including the following:

- Corporate Code of Conduct (available in all languages used within the Company), which includes:
 - Antitrust Compliance Manual
 - Anti-Bribery Policy
 - Company Confidential Information Policy
 - Insider Trading Policy
- Supplier Code of Conduct
- This Corporate Responsibility Report

We have also implemented and formalized internal policies and compliance programs with respect to various regulatory matters, such as securities compliance and export compliance.

In addition to providing annual Sensient-wide training on the Code of Conduct, the Board has ensured that targeted training on each of the other compliance

programs is conducted for all appropriate employees. The Code includes, among many other rules, strict integrity, professionalism, safety, and personnel policies to prevent harassment and other equal employment opportunity issues as well as strong and routinely publicized violation reporting protocols. Additionally, the Audit Committee receives a quarterly update from the General Counsel on all reported Code of Conduct violations, which includes a summary of every investigation conducted of an alleged Code violation and the disposition of each investigation. Code of Conduct violations and dispositions are also reviewed with employees during business units' quarterly town hall meetings, and the CEO publishes an internal blog to all employees detailing violations.

The Board oversees a robust Product Safety program, which includes the following elements:

- All potential product safety issues are reported immediately to the CEO, and Sensient's head of product safety and quality is a direct report of the CEO.

- Sensient has established guidelines for Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), and conducts comprehensive product safety audits, including GMP/HAACP audits, at all of its food ingredient manufacturing facilities since 1999.
- Comprehensive and robust raw material approval processes are in place to ensure product safety.
- Raw materials and finished goods are analyzed for compliance with specifications prior to use and shipment, respectively.
- Sensient also conducts key vendor quality assurance inspections directly or by third-party accredited auditing organizations.



- Sensient develops and implements corrective action plans for all internal, customer, and third-party audit deficiencies.
- Sensient monitors industry violations and shares details of such violations with its customers.

control audit by Ernst & Young LLP, and, when needed, special investigations directed by the Director of Internal Audit and General Counsel of any unusual or irregular activities.

The Board also oversees other Sensient programs in order to monitor and limit legal and regulatory risks, including:

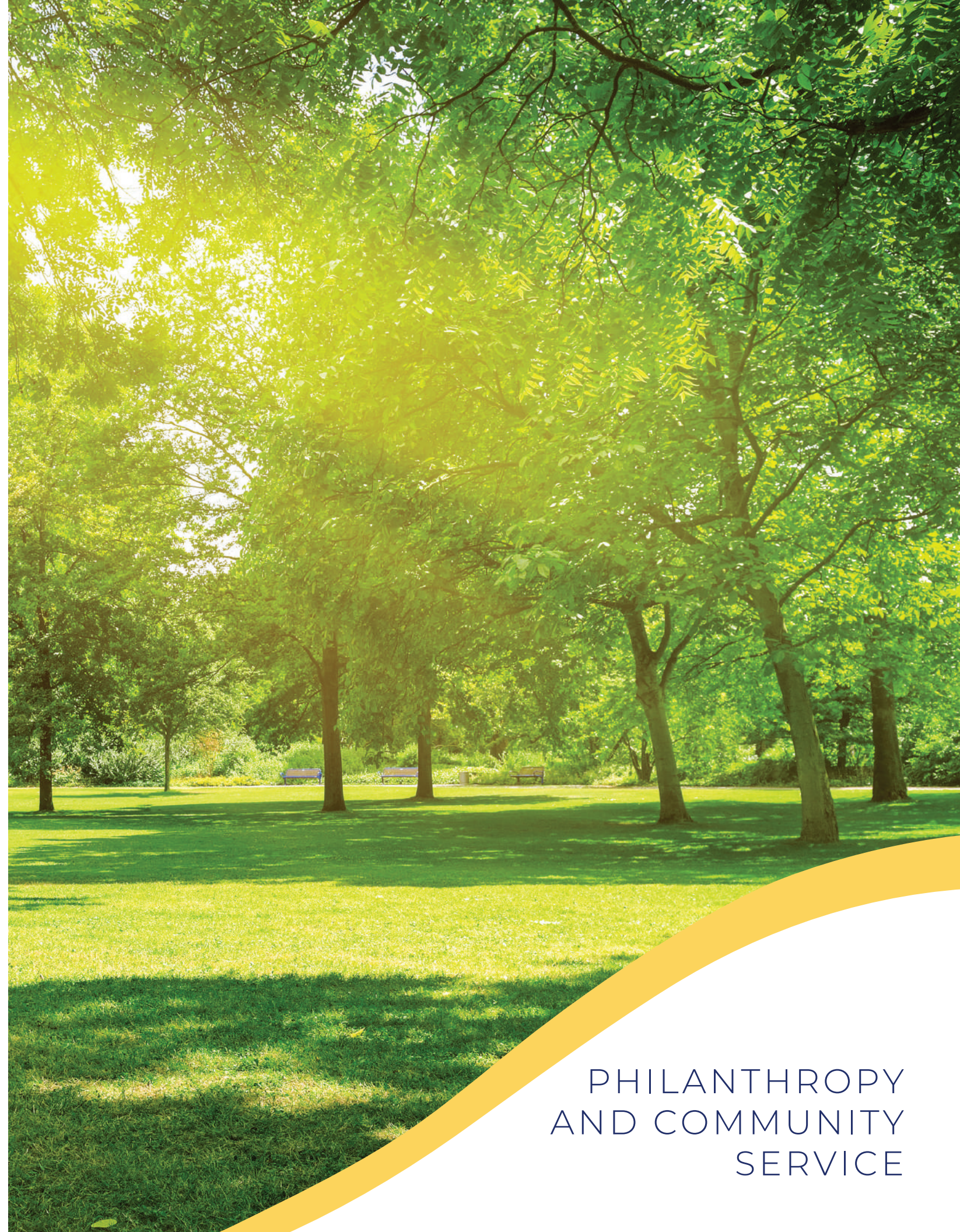
The Board oversees Sensient's Cybersecurity Program, including the following elements:

- The Board has defined high risk cybersecurity areas for Sensient and implemented comprehensive programs to address these risks.
- Management reports at least twice annually to the Board of Directors on cybersecurity progress and effectiveness.
- Sensient has formed an executive level steering committee (including the CEO, CFO, Group Presidents, General Counsel, and Director of IT) that provides oversight and meets monthly.
- Sensient has implemented an annual employee training program, quarterly cyber executive incident response simulations, and regular cyber penetration testing.
- Sensient has made significant investments in its technical capabilities in all areas of security.

The Board, through the Audit Committee, oversees a number of activities undertaken by management to monitor financial reporting risks and internal control. Those activities include regular audits of significant business units by Sensient's Internal Audit Department, annual audit and quarterly reviews by Ernst & Young LLP, annual internal

- Chemical Risk Reduction Strategy, led by the CEO and Director Dr. Elaine Wedral, which includes improved product warnings and enhanced safety protocols as well as risk identification and product elimination;
- A robust Environmental, Health and Safety (EHS) program that is managed within the Legal Department;
- Regular EHS audits at every manufacturing facility by an outside consulting firm;
- In-house compliance attorney who is continually engaged with the business units on FDA, EPA, and OSHA regulatory matters;
- Legal Department review of all contracts; and
- Legal Department review (supplemented by outside review by domestic and foreign outside counsel when necessary) of all employee terminations to ensure legal compliance and minimize litigation risks.

For more details on corporate governance and risk oversight, please refer to our most recent Annual Report and Proxy Statement, which are available under the Investor Information section of our website at www.sensient.com.



PHILANTHROPY
AND COMMUNITY
SERVICE



Whether it's supporting local charities or helping to beautify and improve the neighborhoods in which we operate, Sensient believes in being a good neighbor and contributing to the betterment of the greater community. Some examples of our efforts are as follows:

- Operation of a Corporate foundation that provides financial support to numerous non-profit charitable organizations in the areas of education, health and welfare, culture and arts, and civic activities. Examples of organizations we support include Boys & Girls Club of Milwaukee, the American Cancer Society, Ronald McDonald House Charities, Children's Hospital of Wisconsin, and the Milwaukee Public Museum.

- Sponsorship of volunteer opportunities for our employees to support local charitable organizations, such as the Ronald McDonald House in Wauwatosa, Wisconsin, for families of out-of-town children receiving treatment at local hospitals.
- Matching funds program for qualifying employee charitable donations.
- Creation of green space and parks through urban redesign projects in neighborhoods surrounding our facilities. For example, over the past 11 years we have spent over two million dollars to purchase and transform blighted urban properties near our St. Louis facility into green space and walking trails for our employees. At another facility, we have planted nearly 1,7000 low-maintenance native trees over the past nine years to reforest a neighborhood park as a community beautification project.
- Numerous philanthropic and community service partnerships between staff at our locations and local organizations, including:
 - Donations to a German humanitarian organization dedicated to preventing drowning deaths by providing swimming and lifeguarding training.
 - Partnership with Woodfield Area Children's Organization to collect school supplies, food, winter coats, and monetary donations for children living at or below poverty level in Chicago's northwest and western suburbs.
- Donations to local breast cancer research organization during Breast Cancer Awareness Month.
- Mentorship of several New Zealand high school students as part of a program to introduce youth to career options in food science, technology, and engineering
- Donations to local charities in St. Louis to help underprivileged residents celebrate Thanksgiving and Christmas.
- Sponsorship of local youth soccer club with 530 players in Armilla, Spain.
- Sponsorship of internships for college graduates from underprivileged backgrounds in South Africa.
- Collection of plastic bottle caps to support a local children's cancer treatment center in Mexico.
- Sponsorship of a family radio show reaching an estimated 300,000 people every week in Mexico.
- Donations to a Tonga relief agency to support recovery from Cyclone Gita.
- Sponsorship of Christo Rey student interns for the 2017-18 school year.



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