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# We Bring Life To Products™



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**Paul Manning**  
Chairman, President and CEO



## WELCOME STATEMENT

Welcome to Sensient Technologies Corporation's 2022 Sustainability Report. In this report, you will find our annual highlights of our actions related to environmental, social, and governance (ESG) issues.

All of our ESG efforts remain grounded in our Corporate Creed:

- We do not live in a post-truth world. We always operate with integrity and we always tell the truth.
- We do not harass, demonize, or marginalize each other. We are always professional and respectful to each other, our suppliers, and our customers.
- We do not operate recklessly or without regard to health and safety. We make safe products in safe facilities and strive to keep each other safe as well.

We continue our long-standing commitment to operating in a legal, ethical, and responsible manner with a strong emphasis on corporate responsibility and fostering sustainable business practices. This Sustainability Report describes Sensient's efforts to meet our 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 long-term economic health and core values, and we expect each employee to actively participate in and contribute to Sensient's efforts. Moreover, because we are a Wisconsin corporation, our Board of Directors remains dedicated to considering the effects of its actions on shareholders as well as our employees, suppliers, customers, and the communities in which we operate. While nothing is possible without strong financial performance, consideration for all of our stakeholders continues to be essential to our practices.

Having surpassed our 2025 sustainability goals, we have now set new 2030 goals to:

- reduce carbon intensity of Scope 1 and Scope 2 greenhouse gas emissions by 30%;
- reduce overall water withdrawal by 30%;
- reduce water withdrawal intensity by 30% in areas categorized as having high or extremely high water stress levels;
- increase average landfill diversion to 75%;
- collect auditable sustainability data and perform assessments on the suppliers that represent between 75-90% of our total spend; and
- incorporate a sustainable design principles checklist into 100% of new product development projects by 2024.

As I have outlined before, we face special challenges in our efforts to reduce our greenhouse gas emissions over the long term. Our success depends upon our own efforts but also on many developments that are beyond our control. As detailed, again, in this year's report, to reduce our greenhouse gas emissions, we are working to improve the efficiency of our gas-powered dryers, to rationalize our production processes, and, in some cases, to redesign our products. We are also working with the FDA to reassess the synthetic color certification process to allow certification of liquid products. Since current regulations require all batches to be spray dried before submission to the FDA for certification, the certification of liquids could represent a tremendous opportunity to reduce our spray dryer usage and, therefore, our greenhouse gas emissions.

## MESSAGE FROM THE CEO

Of course, we must depend upon others to design electric dryers that meet our process needs, to develop a renewably sourced power grid, to update and upgrade the power grid to sustainably operate a more heavily electrified world, and to create commercially and financially viable point-of-emission carbon capture technology. We engage with our power suppliers as well as OEMs to make sure we are always seeking out new opportunities and also communicating our needs. We have incorporated sustainability considerations into our capital expenditure process. We will endeavor to remain careful to communicate when our ability to reach our goals may be contingent upon developments that are outside our control. Accordingly, while we can strive to reach net zero emissions in the future, we cannot and will not promise to do so until we are certain we can control that outcome. To do otherwise would be misleading and irresponsible.

Despite all of these monumental challenges, our efforts and commitment continue. As you will see in this report, our approach to sustainability is consistent with Sensient's clear strategy to create sustainable growth and long-term shareholder and stakeholder value. We will continue to build meaningful relationships with our business partners, offer more sustainable products, and scale circular business models.

On behalf of the Board of Directors, I thank Sensient's shareholders, employees, customers, suppliers, and local communities for your ongoing support of our efforts and commitments. I continue to 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

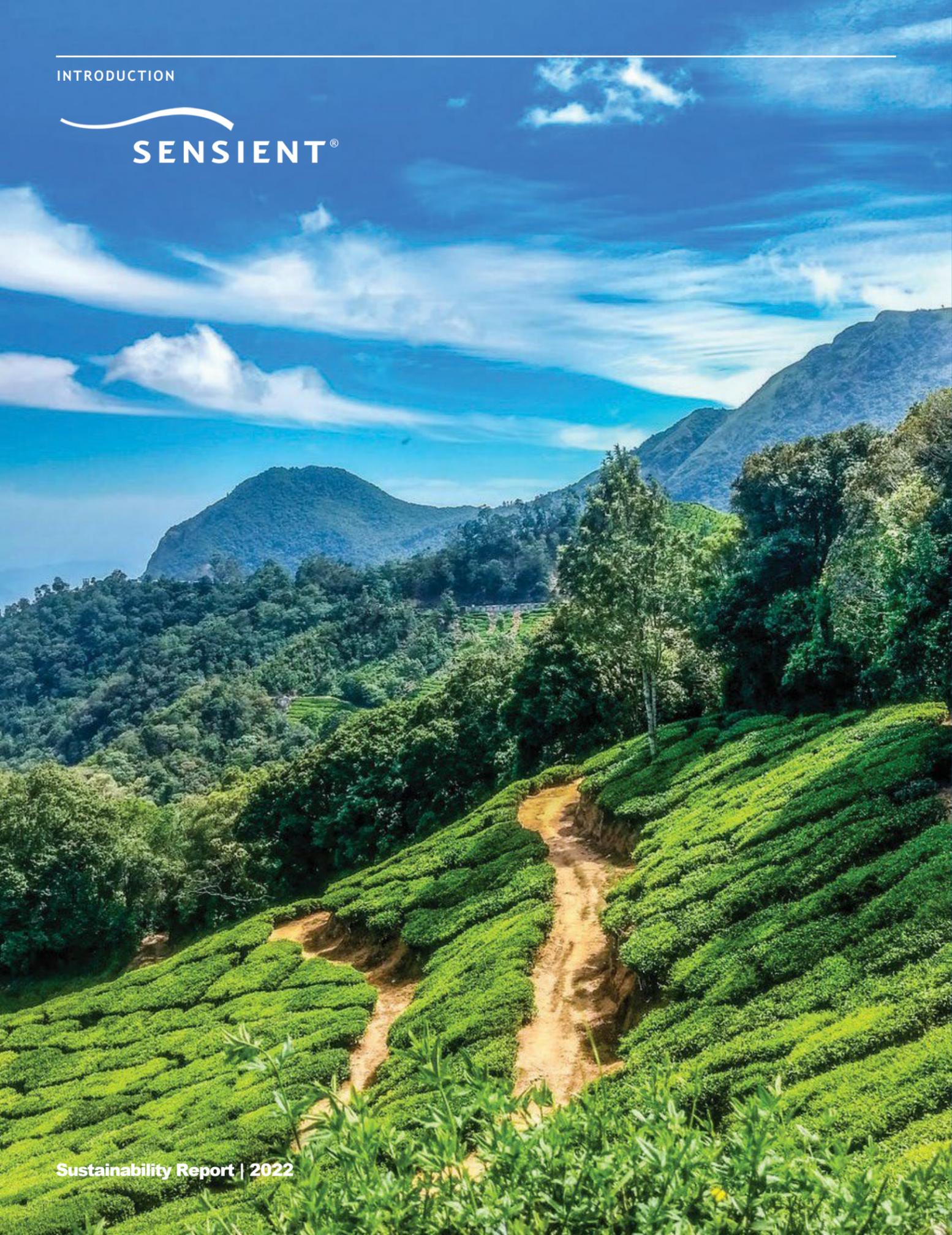
## INTRODUCTION

### About This Report

Sensient Technologies Corporation's 2022 Sustainability Report documents Sensient's ESG performance from January 1, 2022 through December 31, 2022, unless stated otherwise. It covers all of Sensient's global operations.

#### Cautionary Note Regarding Forward-Looking Statements

The statements included in this Sustainability Report are being provided to the public in an effort to provide transparency into our ESG initiatives to respond to stakeholder requests, and to further enhance our collective understanding of ESG issues. Our approaches to the disclosures included in this report are different from those included in mandatory regulatory reporting, including under SEC regulations. The statements included in this Sustainability Report that are not historical are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors concerning our operations and business environment that could cause actual results and events to differ materially from those in the forward-looking statements. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. You should not place undue reliance on any forward-looking statement. We describe risks and uncertainties that could cause actual results and events to differ materially in our reports filed with the Securities and Exchange Commission, including in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022. Except to the extent required by applicable laws, we do not undertake to publicly update or revise our forward-looking statements, whether because of new information, future events, or otherwise. While future events discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of the disclosures required under U.S. federal securities laws.



WHO WE ARE

Sensient Technologies Corporation is a leading global manufacturer and marketer of colors, flavors, and other specialty ingredients.

We use advanced technologies and robust global supply chain capabilities to develop specialized solutions for food and beverages as well as products that serve the pharmaceutical, nutraceutical, cosmetic, and personal care industries. We are dedicated to upholding the highest standards of integrity, safety, and professionalism.



**Footprint**  
Nearly 40 manufacturing and research and development (R&D) locations in more than 20 countries



**History**  
More than 140 years of growth and innovation



**People**  
More than 4k employees serving customers in more than 150 nations



**Research**  
\$42.2 Million allocated toward R&D in 2022



**Stewardship**  
More than \$775k donated to children's health care, education, and other worthy causes in 2022 through the Sensient Foundation

Our color, flavor, and specialty ingredients can be found in leading consumer products worldwide.



WHAT WE DO

**Color Group**

The Sensient Color Group is the leading global manufacturer and supplier of natural and synthetic color solutions and other specialty ingredients for the food and beverage, cosmetic, pharmaceutical, nutraceutical, and specialty markets. Bringing exceptional innovation and applications expertise into the market, our Color Group stands apart from the rest.

**Core Areas of Focus**

Food Colors, Pharmaceutical Colors, Industrial Colors, and Personal Care



**Flavors & Extracts Group**

The Sensient Flavors & Extracts Group is a global developer, manufacturer, and supplier of flavor systems for the food, beverage, and personal care industries. The Company's flavor formulations are used in many of the world's best-known consumer products. With outstanding applications expertise and leading technology platforms, Sensient Flavors & Extracts is an innovative leading supplier for all things food and beverage.

**Core Areas of Focus**

Flavors and Extracts, Natural Ingredients, and Other Flavor Ingredients



**Asia Pacific Group**

To support our localized approach and leverage strengths unique to each site in the Asia Pacific region, Sensient's sales of flavors and colors are managed on a geographic basis and reported as a separate segment for the Asia Pacific region.

**Core Areas of Focus**

Flavors and Colors for Food and Beverage



# Fostering and maintaining a strong, healthy culture is a key focus at Sensient.

## WHAT WE VALUE

**Expressed at the beginning of our Code of Conduct, our Corporate Creed sets forth three non-negotiable rules:**

### **Always Tell The Truth**

We do not lie, cheat, or steal or engage in unethical, illegal, or immoral behavior. We will willingly lose a sale or customer in order to comply with the law and our consciences.

### **Always Produce Safe, High-Quality Products in Safe and Secure Facilities**

We are absolutely and passionately committed to producing safe and quality products made in accordance with the highest manufacturing standards. Our workers and facilities must meet or exceed all environmental, health, and safety standards. We work diligently to ensure the physical security of all of our employees and facilities.

### **Always be Professional**

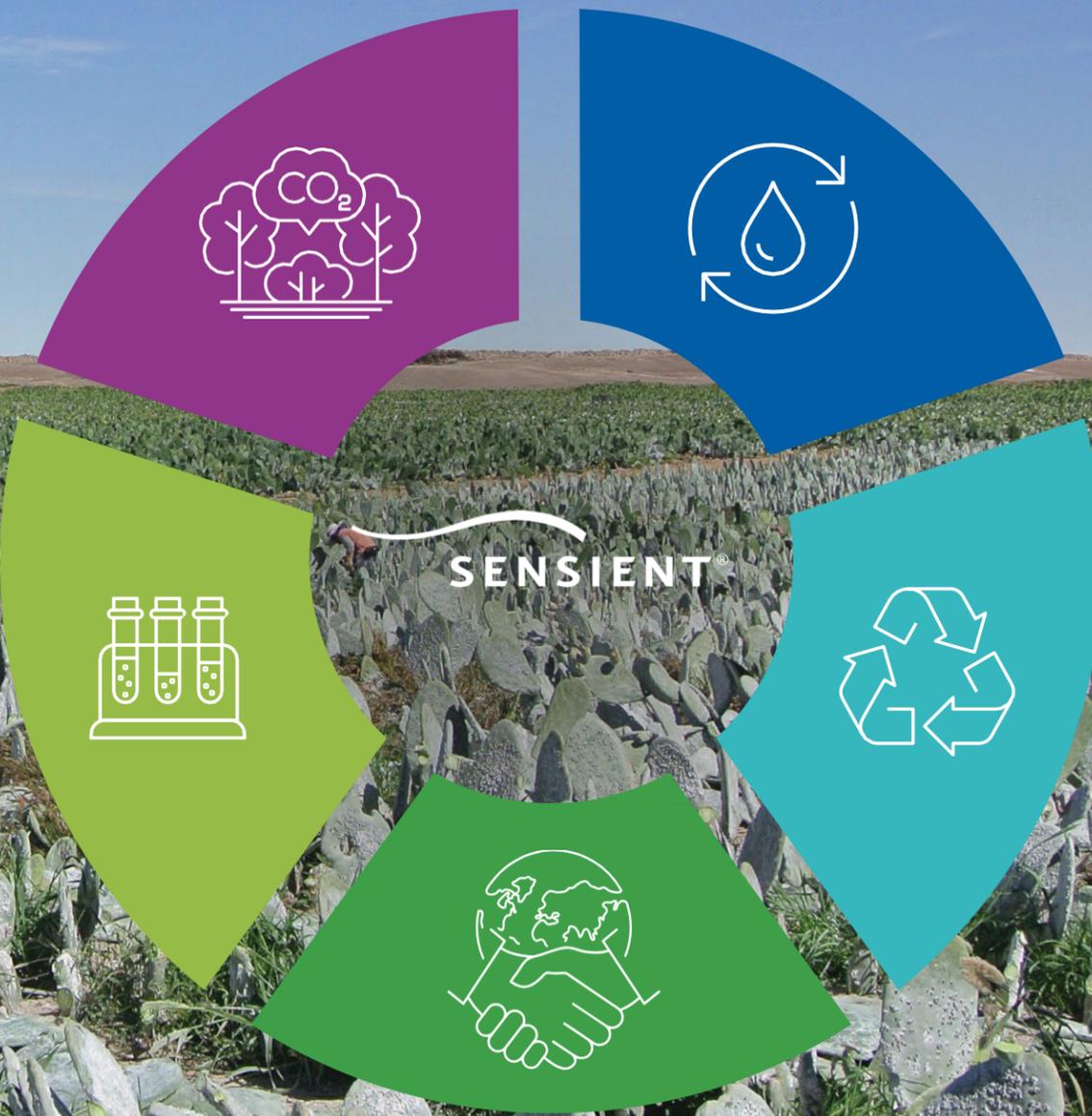
We always dress and behave professionally as a sign of respect for each other, our Company, and our business partners.

Our core values reflect who we are and the way our employees interact with one another, our customers, suppliers, partners, shareholders, and the communities in which we operate. Our Corporate Creed encompasses our Company goals and identity. It embodies the way we conduct ourselves and our business every day.



# Our Commitment to Sustainability

Deliver safe and high-quality products while upholding the highest standards of integrity, professionalism, respect, and safety for our customers, employees, suppliers, and the people, communities, and environment in which we interact.





**MATERIALITY ASSESSMENT**

In 2021, we conducted our first materiality assessment to identify our most relevant reporting topics from an ESG perspective — which is a much broader standard than that used in our financial disclosures.<sup>1</sup>

Through our materiality assessment, we identified topics that are significant to both our business and our stakeholders. These results help us effectively design our management approach and metrics to ensure that we maintain our best performance and continually improve. We use our materiality assessment findings to inform both the context of our annual Sustainability Report and our Company-wide Sustainability Strategy, which is integrated into our overall business strategy.

**Material Topics**

We first identified potentially material topics by reviewing the Sustainability Accounting Standards Board’s (SASB) recommended material topics for the Chemical industry, conducting industry research, and performing a benchmarking analysis of our customers, suppliers, and peers. Our process also involved reviewing Company documents and relevant third-party information, including investor ratings and rankings reports. These steps helped us identify 22 relevant ESG topics, each of which is discussed within this report and incorporated into our business strategy

Based on surveys of our internal stakeholders, discussion among the Board of Directors, analysis of documentation from stakeholders within our supply chain, and other external research, we identified which ESG topics are of highest priority to our current strategy and which ESG topics are emerging in relevance or are in a position to be maintained and monitored. The determined priorities – categorized as Environmental, Social, Governance, or Other – are outlined in the map to the right, based on their relative importance to our business and key stakeholders.

It is our intent to conduct a new assessment in 2023.

<sup>1</sup>This report and its contents are not substitutes for financially material information provided in our SEC filings including, but not limited to, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Our sustainability reporting describes those topics that we consider to be the most important to stakeholders when evaluating environmental, social, and governance issues at Sensient. Therefore, materiality in our sustainability reporting does not directly correspond to the concept of materiality used in securities law. Where we have deemed an item or risk material to our financial disclosures, we have reported those items in our financial disclosures.

**Materiality Matrix**



**ENVIRONMENTAL**

- q** Energy Efficiency
- w** Water
- e** Waste
- r** Greenhouse Gases
- t** Regenerative Agriculture
- y** Air Quality
- u** Environment Management System

**SOCIAL**

- q** Workforce Health & Safety
- w** Human Capital Management
- e** Human Rights / Child Labor
- r** Chemical Management
- t** Grants / Donations
- y** Volunteering / Community Engagement

**GOVERNANCE**

- q** Business Ethics & Legal Compliance
- w** Risk & Crisis Management
- e** Cybersecurity
- r** Transparency

**OTHER**

- q** Product Innovation
- w** Circular Design
- e** Responsible Sourcing
- r** Evaluation of Supplier Sustainability
- t** Biodiversity



**CORPORATE SUSTAINABILITY STRATEGY**

Sensient has a strong record of environmental compliance and our products generally have a low environmental impact. However, the environmentally friendly nature of our products and our compliance record will not be enough to meet future sustainability requirements. Sensient has developed and prioritized a Sustainability Strategy comprised of five pillars with practical, attainable goals and milestones that will simultaneously sustain the growth and profitability of the business and direct us toward a greener, more-resilient future.

We will meet our commitments through thoughtful action. We owe this to our investors, our customers, our employees, and the communities in which we operate. We will also endeavor to be publicly transparent about our environmental sustainability goals and associated progress.

We know that none of this will be easy, but we face this challenge with a proactive mindset. We will make investments to adapt our manufacturing processes and to improve the efficiency and effectiveness of our existing equipment. In the future, as the technology becomes available and cost effective, we will invest in energy-efficient and electrified production equipment, and continue to look for technologies that are not currently viable to scale or do not yet exist, such as fully electric spray dryers and carbon capture technology. We will continue to endeavor to source as much power from sustainable sources as we believe is financially and physically feasible and prudent.

**Disclosure Frameworks & Rating Agencies**

Pending potential guidance from the SEC and similar regulatory bodies, we will continue to endeavor to prepare our annual Sustainability Reports to align with topics and metrics from the SASB disclosure standards for the Chemicals industry and to address the recommendations and supporting disclosures of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD). In the future, we will engage third party assurance services.

In keeping with our commitment to transparency, Sensient also responds at least annually to assessments and questionnaires from several sustainability-related ratings providers, including EcoVadis, S&P Global, ISS, MSCI, SEDEX, and Sustainalytics. We also prepared Company-wide responses to CDP (formerly the Carbon Disclosure Project) Climate Change, Water, and Forestry questionnaires.



**PILLAR ONE / TARGET**  
**DECARBONIZATION**  
 Reduce carbon intensity of Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030\*

**PILLAR TWO / TARGETS**  
**WATER STEWARDSHIP**  
 Reduce overall water withdrawal by 30% by 2030\*  
 Reduce water withdrawal intensity by 30% in areas categorized as having high or extremely high water stress levels\*

**PILLAR THREE / TARGET**  
**WASTE REDUCTION**  
 Increase average landfill diversion to 75% by 2030

**PILLAR FOUR / TARGET**  
**SUSTAINABLE SUPPLY CHAIN**  
 Collect auditable sustainability data and perform assessments on the suppliers that represent between 75-90% of our total spend by 2030

**PILLAR FIVE / TARGET**  
**SUSTAINABLE PRODUCT DESIGN**  
 Incorporate a sustainable design checklist into 100% of innovation projects by 2024

See individual sections on each pillar below for further details

\*Baseline 2020

# Decarbonization

Reliable energy is critical to our operations as a means of efficiency, cost saving, and footprint reduction.

In our 2020 report, we disclosed our Company-wide annual greenhouse gas (GHG) emissions for the first time, utilizing an emission tracking methodology designed in collaboration with a leading international environmental consulting firm. This established a 2020 baseline on which we can define appropriate reduction targets and measure our progress in future years. In the meantime, we continue to pursue opportunities to become more efficient and utilize renewable energy whenever and wherever it is available and financially prudent.

We are building a more robust environmental management system by implementing a cloud-based sustainability metric tracking system. This system will help us to automate our data collection efforts and to ensure accurate disclosures by pulling electricity and fuel (among other sustainability-related metrics) usage data from utility invoices, meters, and vendor reports.

**Target**

Reduce carbon intensity of Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030 (Baseline 2020)

**Strategies, Initiatives, and Priorities**

- Increase share of electrical power consumed from renewable sources when feasible
- Perform internal optimization audits on manufacturing equipment and seek out operational efficiencies
- Change equipment and production processes to utilize green(er) technologies
- Explore natural climate solutions (e.g. regenerative agriculture, land management programs, and other conservation efforts)
- Explore carbon capture and storage options

**2022 Results**

- Scope 1 greenhouse gas emissions associated with our global manufacturing footprint: 149,000 MT CO<sub>2</sub>e
- Scope 2 greenhouse gas emissions associated with our global manufacturing footprint: 61,000 MT CO<sub>2</sub>e
- Carbon Intensity: For every dollar we earned in revenue, we produced 0.146 kilograms of Scope 1 and Scope 2 greenhouse gas emissions associated with our global manufacturing footprint

**2022 Energy Reduction and Efficiency Improvement Projects**

**Dryer & Boiler Efficiency Improvements**

- At our St. Louis manufacturing facility, we are performing optimization studies to reduce natural gas consumption in our spray dryers and boilers. The improved efficiency for phase 1 of this study will result in an estimated reduction of 250 metric tons of CO<sub>2</sub> per year. Phase 2 of the study will begin in 2023 and is expected to reduce energy consumption by an additional 15%.
- We installed a new steam boiler at one facility and implemented efficiency updates to existing steam boilers at select European sites. These upgrades focused on controls to optimize natural gas use – such as "standby" mode, shutoff valves to isolate pipes not in use, and advanced temperature control systems, among others – resulting in an estimated reduction of over 400 metric tons CO<sub>2</sub> per year.
- We replaced gas-powered direct burner-heated ovens with more efficient electric ovens at one of our UK sites, resulting in improved insulation, elimination of carbon monoxide emissions, mitigation of safety risks, and increased efficiency.
- We developed a scheduled system of "leak loss" audits to identify inefficiencies in our boiler equipment at many of our North American sites and improved the insulation of steam and condensate piping where leaks were noted.
- Through improved maintenance of dryers and boilers at our Michigan site, we improved total yield of product per batch, reduced natural gas consumed and greenhouse gas emitted in production, and reduced transportation emissions from shipping unprocessed materials to other sites with greater dryer capacity.

**Other Equipment Efficiency Improvements**

- We continued the installation of LED lights, timers, daylight sensors, and infrared sensors on lighting systems across numerous facilities to reduce electricity use associated with lighting.
- We performed optimization studies on air compressors in North America—identifying/fixing air leaks and upgrading outdated equipment—resulting in estimated savings of approximately 500-600 metric tons CO<sub>2</sub>e/year.
- We installed smaller air compressors at our South Africa site to use for smaller projects, reducing the excessive use of our larger air compressor and reducing energy consumption.
- We performed an optimization study on our wastewater treatment plant at our Belgium site, resulting in a capacity expansion project that will reduce energy use.
- We overhauled our manufacturing facilities in China by inspecting and optimizing our air emission points, updating filters and worn parts, and instituting a preventive maintenance plan to continue high standards of air quality.

**Renewable Energy**

- All three of our UK manufacturing facilities are using 100% renewable electricity. This equated to a reduction of approximately 2,200 metric tons of carbon dioxide emissions in 2022.
- Our New Zealand manufacturing facility is in a long-term agreement to receive 100% of its electrical energy requirements from renewable energy sources, helping to offset over 67 metric tons of carbon dioxide emissions annually.
- Our Costa Rica manufacturing facility receives over 99% of its electrical energy requirements from renewable energy sources due to the availability of renewable energy from the local grid.

- Our St. Louis site, our largest manufacturing facility in North America, saves approximately 3,300 metric tons of GHG emissions through the use of renewable energy sources from the local electricity provider. We note that this is only 16% of the site's total electricity requirement because of the lack of access to renewable energy options from the grid. To compensate for this limitation, the site is evaluating a project to install on-site solar panels.
- One of our UK facilities generates approximately 12% of its electrical consumption through rooftop solar arrays installed on-site through a solar power purchase agreement.

**Procedure Improvements**

- We developed a sustainability calculator and implemented it into our capital appropriation procedures so that capital projects are evaluated on their contribution to Sensient's sustainability targets.
- Our focus on "first-time right" quality improvements throughout the Company resulted in the reduction of numerous repeat production runs, thus reducing process inputs like energy consumption and associated emissions. These improvements have also helped to reduce solid waste from failed batches, thereby reducing emissions associated with waste transportation and disposal.
- We improved energy management at our Belgium site by installing 19 additional electricity meters throughout the facility and a comprehensive monitoring system to automatically track and collect data. This helps us determine where electricity is being used, how often, and for how long, so we can identify specific areas for improvement.

Please see **Where We Will Go in 2023 and Beyond** for more details on our transition to a low carbon economy.

# Water Stewardship



## Water sits at the forefront of Sensient's daily operations.

It is a key resource at every stage of production - from its role in the growth of raw materials to its inclusion in many of our final products and every stage in between - which is why our goal is to become an industry-leading steward of water. By implementing water stewardship practices, Sensient will better understand and manage water-related risks, reduce operational costs, generate new business opportunities, boost productivity, and enhance brand reputation.

In an increasingly water-constrained world, one of our top priorities is to understand where and how water risks may affect our operations. Each year, we assess our Company-wide water usage and inventory our usage in areas of potential water stress using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

### Targets

1. Reduce overall water withdrawal by 30% by 2030 (Baseline 2020)
2. Reduce water withdrawal intensity by 30% in areas categorized as having high or extremely high water stress levels (Baseline 2020)

### Strategies, Initiatives, and Priorities

- Conduct water consumption audits at each production facility
- Perform internal optimization audits on manufacturing equipment and seek out operational efficiencies
- Increase the reuse and recycling of water
- Reduce the amount of “wash water” needed at agricultural sites
- Make production processes less water-intensive through improved process vessel cleaning operations
- Increase the use of water meters across production facilities and agricultural sites

### 2022 Results

- Water Withdrawal: approximately 3,800,000 cubic meters
- Water Withdrawal from high or extremely high baseline water stress regions: approximately 1,260,000 cubic meters



### 2022 Water Reduction and Efficiency Improvement Projects

#### Water Use Efficiency

- We reused 100% of our process rinse water in our Natural Ingredients business to irrigate crops at local farms.
- Our Australian manufacturing facility reduced water consumption by approximately 90% in the last five years, largely from improved cleaning processes.
- We digitalized leak/loss detection using wireless sensors in our water systems at several North American manufacturing facilities, resulting in improved water tracking to help us identify and mitigate inefficiencies.
- We redesigned the production processes of several high-volume color products made in one of our Mexico facilities to use approximately 14% less water per batch.
- We continued implementation and use of clean-in-place technology, including spray ball technology and more efficient chemical foamer, dramatically reducing the amount of water used during the equipment cleaning process.

#### Water / Wastewater Quality

- One of our facilities installed a new wastewater slurry press to significantly reduce the volume of wastewater sludge generated by the facility and helping the facility win an award from the local government for outstanding environmental performance.
- An optimization study performed on our wastewater treatment plant at our Belgium site resulted in a capacity expansion project that will improve wastewater quality and reduce sludge concentration.
- We completed an extensive micro-aeration project on our wastewater purifier tanks in Italy, resulting in improved wastewater quality (32% reduction in the COD/BOD ratio).
- Sensient’s Kaizen team altered our standard operating procedure for cleaning fluid bed dryers used for color production in North America. Operators now perform dry cleaning prior to wet cleaning, significantly reducing the amount of water used and reducing the amount of color discharged in the wastewater stream.

# Waste Reduction



We understand that generation of waste and suboptimal use of resources is bad business and can lead to harmful secondary effects.

For example, the Food and Agriculture Organization of the United Nations (FAO) estimates that 30% of global food raised or prepared is wasted, contributing to approximately 8% of global greenhouse gas emissions. Waste optimization is not just about sustainable resource use for its own sake; it also helps conserve energy, reduce pollution, reduce the toxicity of our waste, and reduce production costs.

By adopting circular economy principles into our products and processes, we reduce the overall amount of waste generated, operate more efficiently, and create closed-loop systems in which materials are constantly reused.

**Target**

Increase average landfill diversion\* to 75% by 2030

**Strategies, Initiatives, and Priorities**

- Seek out new ways to upcycle unused products and byproducts
- Conduct a Company-wide baseline assessment of all nonhazardous waste streams
- Recycle and upcycle as much waste as possible with the objective to achieve Zero-Waste-to-Landfill certifications at as many facilities as possible
- Test the biodegradability of new and existing personal care products
- Explore packaging solutions with reduced waste footprints

**2022 Results**

- Landfill diversion\*: approximately 57%



\*We define landfill diversion as the ratio of the amount of Sensient-generated waste that is managed through recycling, upcycling, or incineration to the total amount of waste that we generate, on a mass basis. For purposes of this metric, we exclude wastewater and wastewater pretreatment residuals.

**2022 Waste Reduction and Upcycling Projects**

**Waste Management Systems**

- Our St. Louis site partnered with a third-party service provider to analyze waste management with real-time tracking to help us eventually achieve zero-waste-to-landfill certification.

**Upcycling**

- Two of our production facilities decreased their waste sent to landfills by upcycling approximately 6,000 metric tons of humin, a by-product of our hydrolyzed vegetable manufacturing process, to animal feed manufacturers. One of these sites, located in Mexico, cut its waste sent to landfill nearly in half compared to 2021 by pursuing this project.
- 100% of spent bio-matter from our natural extraction business is able to be composted because of our PhytoClean® extraction process that only uses water as an extraction solvent. If we had used traditional solvents, this spent biomass would have to be disposed of using traditional hazardous waste disposal methods.
- 100% of the vegetable processing by-products from our natural ingredients business are sent to local farms to be reused as soil amendments and nutrients for growing crops.
- We purchase and upcycle spent yeast waste streams from the brewing industry to produce various yeast derivatives for microbial nutrition in fermentation applications and animal and plant nutrition.
- We purchase and upcycle grape pomace (i.e. pulpy residue remaining after grapes have been crushed to extract their juice for wine) from growers all throughout Italy to create grape skin extract, a very label-friendly color.
- Our natural extraction business purchases and utilizes pomace from elderberry and other plants that would otherwise be burned or landfilled, providing extended value in the supply chain.

**Recycling and Improved Packaging**

- We switched to a more bulk-style packaging for our caramel coloring produced in North America to reduce unrecyclable waste sent to the landfill.
- In Japan, Sensient contracted a new waste management company to enhance manufacturing material recycling. By recycling rather than paying for disposal of packaging materials, we are saving money as well as diverting nearly 15,000 kg of waste from landfills.

# Sustainable Supply Chain



The fourth pillar of our Sustainability Strategy looks at building a sustainable supply chain that fully integrates ethical and environmentally friendly practices. It is our responsibility to ensure that we purchase our raw materials and services from suppliers who are also good stewards of our natural resources and have appropriate sustainability practices and goals in place.

### Targets

Collect auditable sustainability data and perform assessments on the suppliers that represent between 75-90% of our total spend by 2030

### Strategies, Initiatives, and Priorities

- Track supplier compliance to our Supplier Code of Conduct
- Establish a sustainability onboarding and audit system for suppliers
- Require our top suppliers to complete the CDP supply chain questionnaire, EcoVadis questionnaire, or internally developed questionnaire
- Train procurement teams on ethically-sourced materials and biodiversity risks
- Through SNI and our agronomy program, require partner farmers to complete regenerative agriculture self-assessments
- Support agricultural suppliers with advanced technology for resource efficiency and regenerative agriculture practices
- Choose green(er) suppliers; insist on suppliers taking measures to reduce energy consumption



### Supply Chain Innovation

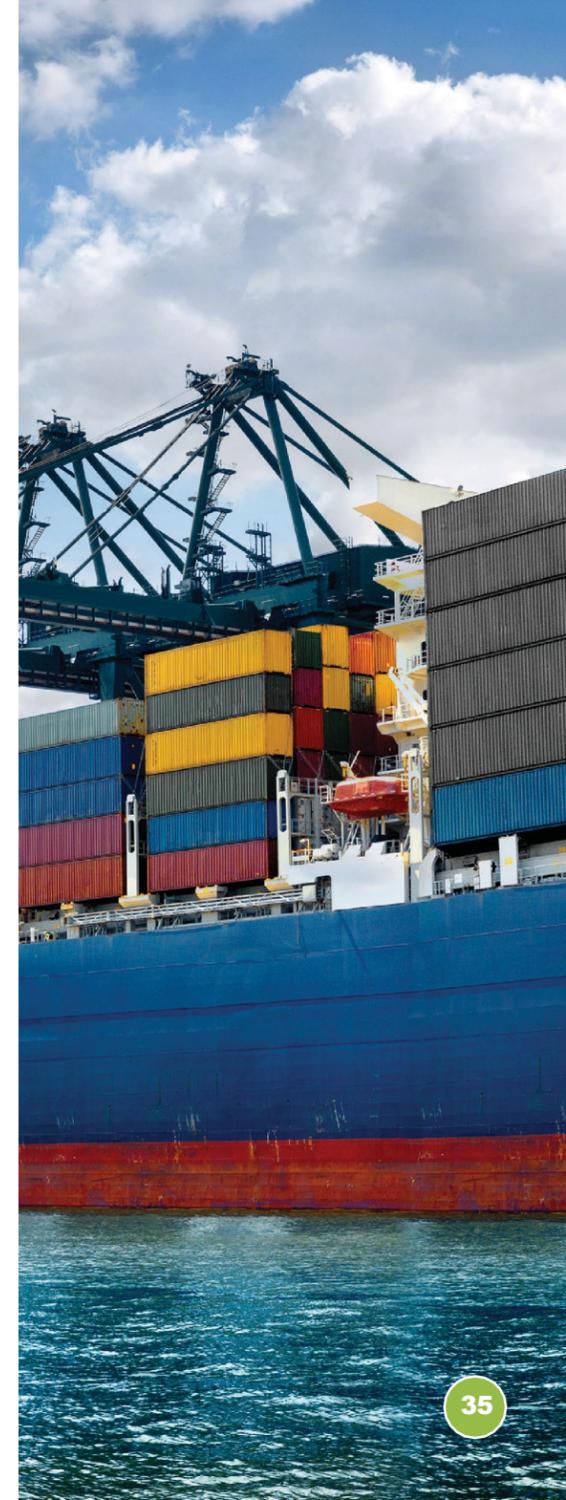
Sensient works hard to use only quality raw materials from strictly qualified sources.

We maintain good manufacturing practices and food safety standards to help ensure that our production processes are safe, from the arrival of raw materials to the shipment of our finished products. We also regularly inspect our suppliers, seeking to hold them to the highest standards of product quality and consistently working with them to introduce improvements. With the formal introduction of our Supplier Code of Conduct several years ago (and updated in October 2021), and the use of contractual terms and conditions that require legal compliance, we endeavor to ensure our suppliers are also conforming to high ethical and legal standards of behavior. If any supplier intentionally violates these norms, we will find a new supplier for that product.

We work directly with growers of the fruits, vegetables, and other agricultural and botanical products 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 designed to exceed industry standards.

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, product quality, and sustainability.

As our customers continue to embrace natural ingredients and products with clean labels, we continue to expand our already robust portfolio of natural solutions in food colors and flavors, nutraceuticals, natural ingredients, essential oils, personal care products, and cosmetics. We have also been working to develop natural product solutions for more customer applications, including preservative- and GMO-free alternatives, Organic, and Fair Trade Certified products.



## Seed-to-Shelf™ Program

Our “Seed-to-Shelf” strategy is to understand and have direct involvement in all aspects of our natural raw materials—from planting the seeds to growing, harvesting, processing, and selling the natural colors and coloring foods that ultimately end up on the store shelf by way of our customers’ final products. This strategy vertically integrates our supply chain and 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.

Approximately 80% of food color products launched globally today use natural colors or coloring foods, and 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.



**Seed-to-Shelf comprises a number of ongoing initiatives to innovate across the value chain for natural and organic ingredients:**



Improve cost over time as agronomists increase pigment levels in key color crops



A reliable and more consistent supply due to a multi-region planting program



Complete food color traceability to the farm level



Discovery of new botanical sources like a blue shade that solves some of the industry's biggest challenges with natural food color



Ability to positively impact people around the world with programs benefiting local economies in a socially responsible manner

### Secure and Traceable Supply Chain

Supply chain traceability is crucial for both governance and compliance purposes and for meeting increasing consumer expectations, so Sensient’s vertical integration is designed to achieve the high levels of traceability regulators and consumers desire. Our global agronomists have visibility across our entire natural supply chain from the initial seed technology stage to the production floor. Additionally, Seed-to-Shelf mitigates potential risks to our supply chain that may result from climate change, weather disruptions, or political disruptions. Through our vertical integration, we have redundancies in place to help ensure that our supply chains are secure in order to continue to supply our customers. We endeavor to identify multiple growers, often in geographically diverse areas, and to use a combination of longer-term and short-term contracts to minimize the possibility of supply chain disruption to both Sensient and our suppliers.

### Vertical Integration

It is certainly possible to initiate agricultural programs that support sustainability efforts without any vertical integration, but, from our experience, we make a greater impact when we have a larger, vested presence and partnership with our growers. In this way, we strive to make sure that their business and safety practices are compliant with our standards and that their workers are compensated and treated fairly. It is important to us that we conduct business in an ethical manner, and we seek to work with suppliers who share our values. Our Seed-to-Shelf Program builds lasting, sustainable partnerships with our suppliers and local communities around the world.

Our commitment to vertical integration and responsible sourcing also helps to build up farming communities, making them more stable, resilient, and prosperous. 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.



## SUSTAINABLE SUPPLY CHAIN

### Sustainable Farming Methods

Our accredited global agronomists work directly with the growers of our botanicals, sharing best practices and collaborating with them to produce ingredients that meet our strict requirements. We utilize a wide variety of sustainable farming methods and cropping systems in order to maintain soil health, preserve biodiversity, and to increase farm production and farmer profitability per unit land area:

- Our agronomists use traditional non-GMO plant breeding techniques to produce superior crops with better color yield, better agronomic traits, and superior resistance to pests and diseases, decreasing our reliance on chemicals and reducing our environmental impact. All of our natural colors are GMO-free.
- We have joint projects with agricultural cooperatives in a number of European, African, and Asian communities to evaluate the feasibility of growing certain secondary agricultural products between the growth cycles of a traditional primary crop, such as wheat, barley, or peas. In regions where typically only a single crop is harvested per year, these projects provide the community an additional source of income during otherwise fallow periods while also helping to meet Sensient's demand for agricultural raw materials. Importantly, by growing the secondary crop after the primary crop, the projects allow for the growth of the new crops without decreasing the available agricultural surface area used to grow food crops.
- We work with our growers 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 lands improves the overall sustainability of farming operations because it helps prevent erosion and promotes healthier soil, while at the same time not displacing land used for food crops.
- In Southeast Asia, our farmers use solar dryers to help reduce the environmental impact of drying crops after harvest.
- 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.
  - Provides greater income yield per unit area for the farmer.
  - Provides better pest and disease control insurance against crop failure.
  - Reduces erosion and weed control.
  - Improves overall soil health.
- We installed drip irrigation at our partner farms in Southeast Asia. Drip irrigation can reduce water consumption by over 90%, critical in drought-stricken areas. Some additional advantages include:
  - Uses less energy and easy to install.
  - Cheap, time-saving, and lowers labor cost.
  - Minimizes fertilizer and nutrient loss.
  - Reduces weeds and risk of diseases.
  - Reduces erosion.
- In Southeast Asia, the butterfly pea flower can capture atmospheric nitrogen through its symbiotic relationship with nitrogen-fixing bacteria to make nitrogen available in the soil. This reduces the need for commercial nitrogen fertilizers, thus reducing GHG emissions from the manufacture of nitrogen-based fertilizers. In 2021, we completed the process of gaining the U.S. FDA's approval of butterfly pea as an approved color additive in the U.S.
- Sensient Natural Ingredients encourages and aids many of our chili farmers to use a wheat cover crop prior to planting chili peppers as a method to improve soil tilth and overall health in the growing cycle.
- Sensient Natural Ingredients aids our supplier farmers by providing them access to technologies that help improve resource efficiency. This includes (1) the use of a weather station and weather modeling to predict fungus presence in onion fields (i.e. Downey Mildew) and prevent unnecessary applications of fungicide, and (2) drone imaging over approximately 300 acres to better manage garlic seed crop and identify immediate and long-term risks.





## SUSTAINABLE SUPPLY CHAIN

### 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. This is in stark contrast to synthetic colors, which are highly regulated. Indeed, every single lot of synthetic food colors in the United States must be tested by the FDA before it can be used in a food or pharmaceutical application. There is no similar testing regime for natural colors. There is also a lack of agreement regarding appropriate methods and standards for testing the purity of the natural colors despite the fact that contaminants of various kinds can be found in many of the raw materials used for natural colors. As just one 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 in recent years.

To address this concerning regulatory and product safety gap, Sensient sponsored a blue-ribbon panel of academic and industry experts to discuss and deliberate quality attributes and potential safety hazards affecting food colorants from natural sources. This panel's work culminated in a whitepaper entitled "Establishing Standards on Colors from Natural Sources," which was the feature article of The Journal of Food Science's November 2017 issue. Based on the recommendations of the expert panel, Sensient 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 necessary 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.

Our rigorous CertaSure testing protocols exemplify our commitment to guarantee safe natural color solutions. For example, whereas pesticide testing in the food industry typically includes between 170 and 220 different pesticides, Sensient's CertaSure pesticide testing protocols screen for more than 500 pesticides. We also go above and beyond typical industry standards for detection of heavy metals, microbiological contamination, and unauthorized solvents, and we utilize an international food safety platform to identify new food contamination and adulteration threats so we can include them in our testing protocols. Sensient's adulteration screening process ensures all of our incoming natural raw materials are free from contaminants or adulterants like synthetic dyes or other additives that may be present, either intentionally or unintentionally, in natural raw materials. We reject any botanical raw material lots that fail our rigorous CertaSure process.

Our CertaSure program is working. As one illustration of its effectiveness, Sensient's internal testing program has detected and rejected 90% of the tested paprika batches in a recent three-year period due to the presence of pesticides. Overall, one in four food products found in the market failed Sensient's testing protocols based upon the presence of microorganisms, adulteration, heavy metals, pesticide, and/or residual solvents.

Backed by Sensient, CertaSure strives to provide food manufacturers full brand protection. To our knowledge, Sensient is the only food color company that adheres to CertaSure standards.

CertaSure™ aims to ensure that consumers receive safe, quality products free of harmful contaminants such as pesticides, heavy metals, unauthorized solvents, and pathogens.

## Supplier Relations

As part of Sensient's program to enhance its sustainable business practices, we are seeking to understand the environmental, health, safety, social, and governance programs of our key suppliers.

### Sustainability Questionnaire

We have asked our suppliers to complete a Sustainability Questionnaire that contained disclosures around energy, waste, and water usage. While this initial engagement did not provide a full picture of our upstream emissions, it has given us a general baseline of where our key suppliers are in their sustainability journey. Additionally, this exercise has signaled to our suppliers that this is an increasingly important issue to Sensient and that we will be requiring more elaborate disclosures in the near future through one of the global disclosure questionnaires.

### Responsible Sourcing Requirements

We require our suppliers to provide written acknowledgement of our Supplier Code of Conduct. In doing so, they commit to ensuring integrity through compliance and business ethics; respecting human rights, people, and health and safety; respecting the environment and protecting biodiversity; respecting and positively impacting the communities they operate in; and ensuring continuous improvement. For more information, please see the expectations listed in our Social Responsibility & Human Rights Policy at the end of our 'Pillar 4: Sustainable Supply Chain' section.



### Supplier Risk Assessments and Prioritization

Many of our sites use Supplier Audit Questionnaires and Raw Material Questionnaires for new vendor qualification. These ask various questions concerning the environmental footprint, social compliance, traceability, and sustainable sourcing of the specific products we are looking to source. As we continue to build a more sustainable supply chain, we will be increasing the number of ESG-focused audits our suppliers must conduct through third-party services and platforms like SEDEX.

Through our various supplier engagement initiatives, we will identify which suppliers pose the most risk to our business; need the most improvement; and are the biggest contributors to our supplier spend. This assessment supports the identification of suppliers with whom Sensient will further engage to ensure ethical and sustainable practices are implemented.





## SUSTAINABLE SUPPLY CHAIN

### Traceability & Ethical Sourcing

Sensient is committed to responsible procurement. 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 designed to exceed industry standards. We also recognize that Sensient is just one part of the sustainability supply chain. We regularly collaborate with our customers to understand and meet their expectations related to product delivery and quality.

#### Product Safety & Traceability

Our product lifecycle management (PLM) system allows us to follow a product through each stage of production and helps to ensure regulatory compliance and quality control throughout. We also utilize a leading cloud-based supplier compliance, quality, and innovation platform. Using this platform, our R&D, Procurement, Quality, and Regulatory Departments connect with suppliers and co-manufacturers to ensure the safety and quality of products. We also use this platform to help qualify new vendors; source raw materials, items, ingredients, packaging, and services; request samples; negotiate specifications; and automatically collect supporting documentation.

Further, Sensient facilities conduct regular self-assessments and third-party assessments, such as SMETA audits, to provide assurance of fair labor practices and regulatory compliance.

#### 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 vegetable oil because of its favorable properties (e.g., low in saturated fat, contains no trans fats, and is extremely stable) and its low cost. Palm oil is found in nearly every food and beverage category. In natural food colors and flavors, it is often used as a carrier. 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, including the active pigment. In extensive stability testing, the new palm-free natural colors have proved effective against color degradation, making them ideally suited for food and beverage applications. From a coloring perspective, palm-free formulations can be used as a sustainable alternative because they do not differ in shade or appearance.

In addition, several Sensient business units across our Colors and Flavors & Extracts Groups have engaged with the Roundtable on Sustainable Palm Oil (RSPO), either as members or as supply chain associates, to support the use of RSPO-certified sustainable palm oil.

#### Responsible Mica Initiative

Natural mica is a raw material in several Sensient product lines. Mica can be sourced from India, where child labor has historically been a concern. Our Supplier Code of Conduct and standard terms and conditions require strict legal compliance, including compliance with child labor laws. However, as an additional measure to help eradicate child labor and unacceptable working conditions in the Indian mica supply chain, Sensient's Personal Care business is a member of the Responsible Mica Initiative, 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.

#### Sustainable Cocoa & Vanilla

This year, two Sensient sites achieved certification from the Rainforest Alliance, an organization dedicated to protecting forests, improving the livelihoods of farmers and forest communities, promoting human rights, and helping farmers adapt to climate challenges. Our Belgium site achieved certification for its more sustainable cocoa supply chain and our Milton Keynes site achieved certification for its responsible vanilla supply chain. We hope to certify other supply chains through the Rainforest Alliance in the future.

#### The Uyghur Forced Labor Protection Act (UFLPA)

We comply with the UFLPA, which was designed to end the use of forced labor in Xinjiang, China by eliminating tainted products from the supply chain. Sensient will not knowingly import or otherwise procure, directly or indirectly, any product or raw material produced in Xinjiang, or that contains inputs produced in Xinjiang. Sensient will not transact with entities listed on the UFLPA Entities List or anyone associated with these entities.

#### Conflict Minerals

Conflict minerals refer to minerals extracted in regions suffering from conflict and unrest whose extraction and sale potentially link to violence. Sensient has an obligation to determine whether our products contain conflict materials from covered countries. To determine this, Sensient conducts a reasonable 'country of origin' inquiry in good faith each year to determine the origin of any conflict minerals necessary to the functionality or production of products manufactured by Sensient or contracted to be manufactured by Sensient.

We disclosed our findings for FY21 in a Form SD filed with the Securities and Exchange Commission on May 31, 2022. Based on our inquiry described above, we determined that a limited number of our products contain raw materials that contain trace amounts of a necessary conflict mineral, and we have no reason to believe that these conflict minerals may have originated in the Democratic Republic of the Congo or an adjoining country.

#### Animal Testing

Sensient manufactures a wide range of products that are subject to various testing requirements around the world. We do not test our products or raw materials on animals, or contract with third parties to do so, except when such testing is mandated by law.



## Social Responsibility & Human Rights Policy

Through our Supplier Code of Conduct, we seek to work with suppliers that share our values. Requirements and expectations include the ethics, human rights, and environmental matters described below. These standards apply to both Sensient's facilities and our suppliers' facilities globally. 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 audit the operations and records of our suppliers to establish compliance with these standards.

## **Business Practices**

Our suppliers must conduct their business lawfully and with integrity, including:

### **Compliance With All Applicable Laws and Regulations**

Our suppliers must comply with all applicable laws and regulations in the countries in which they operate.

### **Antitrust and Fair Competition**

Our suppliers are expected to comply with all fair competition laws and not engage in illegal monopolies, illegal behavior, price fixing, collusive bidding, price discrimination, and other unfair practices. Our suppliers will not knowingly participate, directly or indirectly, in any agreement that unreasonably restricts competition. Our suppliers are also prohibited from abusing their market power through anticompetitive practices.

### **No Bribery or Corrupt Payments**

Sensient has a comprehensive Anti-Bribery Policy that requires behaviors that exceed the requirements of the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act as well as most local laws. Under these laws, suppliers are prohibited from corruptly paying, offering to pay, or authorizing the payment of, money or anything of value, directly or indirectly, to a foreign official in order to influence any official action or decision, or to obtain a business advantage. A "foreign official" is anyone who exercises governmental authority at the local, state, or national level, and may include directors, officers, or employees of state-owned enterprises. Our suppliers must comply with these laws as well as our Anti-Bribery Policy while working on our behalf and be equally vigilant against bribery and corruption risks within their own organizations.

### **Intellectual Property**

Our suppliers must respect Sensient's and third party's Intellectual Property rights. Supplier must promptly notify Sensient if supplier knows or suspects that supplier's products, or Sensient's use of supplier's products, infringe any third party Intellectual Property rights.

### **Cybersecurity**

Suppliers will implement all necessary measures, and review them regularly, to protect their computer systems and networks. They will put in place appropriate controls to identify and mitigate relevant cybersecurity risks.

### **Protection of Confidential Information and Personal Information**

Suppliers will comply with applicable privacy and data protection laws and ensure the protection, security, and lawful use of personal data and confidential information. In particular, the supplier must provide sufficient security for personal data and confidential information processing activities that concern the products or services provided to Sensient and ensure adequate technical and organizational protection measures are in place.

### **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 between our supplier and Sensient. Our Code of Conduct prohibits Sensient employees from giving or receiving gifts of more than a token value, loans (other than from established banking or financial institutions), or hospitality or entertainment which could influence the employee's independent judgment, and all gift-giving is discouraged. These prohibitions apply to gifts or payments made directly or through an intermediary.

### **Affiliation with Governments and Government Officials**

Our suppliers must immediately disclose to Sensient any affiliation in regard to ownership or beneficial interest in a supplier's business by a government or government official of more than 5%. These must be disclosed to Sensient prior to any business relationship or immediately after supplier becomes aware of such interest; provided that if a supplier is a publicly listed company, supplier shall only be required to disclose to Sensient any such ownership or beneficial ownership interest if the supplier has actual knowledge of any such ownership. The following are examples of persons who may be considered government officials:

- Any officer or employee of a foreign government, regardless of rank;
- Employees of government-owned or government-controlled businesses;
- Foreign politicians, political parties, or candidates for office; and
- Any family member or agent of the above.

### **Embargoes and Trade Law**

Our suppliers shall 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 material noncompliance with local laws involving either the supplier or a Sensient product.

### **Responsible Sourcing**

Our suppliers must disclose the country of origin for the primary materials for all deliveries made to Sensient. Sensient reserves the right to ask suppliers for a full supply chain map in order to facilitate risk assessments and gauge legal and ethical compliance in the upstream supply chain. Our suppliers will be transparent about all known facilities used to produce products or services for us and provide such information upon request. If requested, suppliers are expected to provide reports on the presence of substances in any materials supplied to Sensient that may be restricted by, or require disclosure to, governmental bodies, customers, and/or recyclers.

### **Conflict Minerals**

Our suppliers shall 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 must report the presence of conflict minerals (as defined by 15 U.S.C. § 78m(p)), including whether the conflict minerals originated in the Democratic Republic of the Congo (DRC) or adjoining countries, in the products they manufacture or contract to manufacture if the conflict minerals are necessary to the functionality or production of a product. Sensient initiates an annual due diligence review process of our supply chain to ensure that products supplied to Sensient do not contain metals derived from minerals or their derivatives originated from conflict regions that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.

### Workforce Practices

Our suppliers are expected to provide a safe workplace, which operates in compliance with all applicable laws, and to treat their employees lawfully, respectfully, and fairly, including:

#### Human Rights

Our suppliers must respect and support global human rights. Global human rights are fundamental to the operations of Sensient's business. Human rights are rights, freedoms, and standards of treatment regarded as belonging to all persons. Sensient respects and supports internationally recognized human rights and is committed to high standards of ethics, honesty, and integrity and demonstrating respect and dignity for one another and those with whom we do business.

#### No Forced Labor or Trafficking

Our suppliers are prohibited from using slaves or forced labor of any kind, including prison labor, non-rescindable contracts, indentureship, or labor obtained through threats of punishment, deposits of bonds or travel documents, or other constraints, or engaging in human trafficking. If applicable, supplier is expected to have filed a transparency statement in compliance with the UK Modern Slavery Act 2015.

#### No Child Labor

Our suppliers are prohibited from employing children under the age of 15 years (or any higher age established by applicable law). Suppliers will conform to Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labor) of the International Labor Organization.

#### No Harassment or Abuse

Our suppliers are prohibited from harassing or abusing employees. Our suppliers must treat their employees with respect and dignity, and without harassment or abuse of any kind. To the extent permitted by law, suppliers must strive to provide a workplace free of any form of harassment, intimidation or victimization, whether physical, psychological, or sexual.

#### Nondiscrimination

Our suppliers must provide equal employment opportunities to all people and will not discriminate based upon race, religion, color, sex (which includes pregnancy, orientation, identification, expression, and all other legally protected characteristics), age, national origin, disability, veteran or military status, political beliefs, or any other characteristic protected now or in the future by applicable law.

#### Diversity and Inclusion

Our suppliers are expected to value the dignity of each employee as a unique person with individual skills and perspectives. Suppliers are expected to categorically reject individuals and ideologies that seek to sow hate, discord, and division based upon an individual's personal characteristics. Suppliers should strive to unite themselves with their employees by focusing on their common humanity and by dedicating themselves to the principles of integrity, professionalism, and safety.

#### Reasonable Compensation

Our suppliers will pay reasonable compensation and benefits that, at a minimum, comply with all applicable laws and regulations.

#### Working Hours, Overtime, and Wages

Our suppliers must comply with all applicable requirements and limitations set by the laws of the country of manufacture and may not require excessive overtime. Overtime must be voluntary and must always be paid at the statutory rate. Employees must be provided sufficient time each week for rest. Our suppliers must provide employees with wages and benefits that, at a minimum, comply with applicable law.

#### Workplace 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 required or appropriate, suppliers must provide safety equipment, guards, and protective clothing/masks to protect workers from hazardous machinery and materials, fire suppression and evacuation protocols, and security measures to ensure employees' safety while on or entering or exiting Supplier's premises.

#### Respect the right of workers to freely organize, associate, and bargain collectively in accordance with applicable national laws.

Our suppliers will comply with the requirements of all national labor and employment laws, including all union, freedom of association, and collective bargaining laws. Sensient will not tolerate any violation of these principles.

Non-negotiable rule: We do not harass, demonize, or marginalize each other. We are always professional and respectful to each other, our suppliers, and our customers.

## **Environmental Practices**

Our suppliers must treat the environment with respect, including:

### **Environmental Compliance**

At a minimum, our suppliers will conduct their businesses in compliance with all applicable laws in a way that minimizes impact to the environment. As practical, suppliers should seek to reduce their environmental impact beyond what the law currently requires.

### **Hazardous Waste Management**

Our suppliers must capture, contain, and dispose of all hazardous wastes safely and in accordance with all applicable laws.

### **Air Quality and Carbon Footprint**

Our suppliers will take appropriate steps to minimize air emissions (including carbon emissions) and impact on air quality as much as possible and put in place practices to assess and reduce their emissions (including carbon). Suppliers will provide documentary evidence of their carbon footprint and their efforts to reduce it, if requested.

### **Energy Efficiency**

Our suppliers will take appropriate steps to minimize the consumption of energy as well as put in place energy saving strategies (i.e., use of renewable sources and fuels, fuel-efficient logistics operations).

### **Water Management and Conservation**

Our suppliers will take appropriate steps to minimize their impact on water by reducing their water consumption, by ensuring groundwater quality is maintained and (where possible) improved, and by supporting water conservation. We also expect our suppliers to take appropriate steps to provide documentary evidence of their water usage assessment if requested.

### **No Deforestation**

Our suppliers will take appropriate steps to ensure their actions avoid negative impacts on forests, peatlands, and other protected areas. When establishing new operations or expanding existing ones, our suppliers shall obtain all legal approvals and permissions. We also expect our suppliers to keep documentary evidence of land use history and provide it if requested.

## **Community Practices**

Our suppliers must treat the communities they are in with respect, including:

### **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, including free, prior, and informed consent for new developments.

### **Health and Safety Impact**

Our suppliers will seek to prevent and adequately address any adverse health and safety impact of their operations on surrounding communities.

### **Indigenous People**

Our suppliers will respect the rights of local communities and indigenous people and their cultural heritages.

### **Local Sourcing**

Our suppliers will seek to employ and source goods and services locally whenever practicable.

## **Continuous Improvement**

Our suppliers must continuously improve their operations and methods. We recognize that achieving the requirements of the Supplier Code of Conduct is a dynamic process and we encourage continuous improvement within a supplier's operations. In cases where improvement is required, we will support our supplier to establish clear milestones and processes to support their achievement. Our suppliers who fail to comply with the requirements of our Supplier Code of Conduct may be subject to consequences up to and including termination of business.

## **Violation Reporting**

Our suppliers will encourage and provide means for their employees to report concerns, complaints, or potentially unlawful activities in the workplace, with the option to do so anonymously, without threat of reprisal, intimidation, or harassment. Any report should be treated in a confidential manner. Suppliers shall investigate such reports and take corrective action if needed. Suppliers shall notify Sensient of legal actions, administrative investigations, or prosecutions that may affect their performance of any contractual obligations to Sensient, or where such legal actions could adversely affect a supplier's or Sensient's reputation.

# Sustainable Product Design



At Sensient, we understand that reducing our environmental footprint requires more than data collection and efficiency initiatives.

Our ambitions require innovation, so in 2022, we decided to develop a fifth pillar focused explicitly on designing products that generate less carbon, use less water, produce less waste, and utilize sustainable supply chains. With a long history of innovation within the flavors and colors industries, we will leverage our expertise to minimize our environmental and ethical impacts before the production process even begins.

### Target

Incorporate a sustainable design principles checklist into 100% of innovation projects by 2024

### Strategies, Initiatives, and Priorities

- Design products that require less use of dryers
- Design products that are less water intensive
- Incorporate biodegradability, recyclability, and general product end-of-life considerations into product design
- Collaborate with suppliers to ensure sustainable sourcing of raw materials
- Train R&D and purchasing teams on ethically sourced materials
- Internally incentivize “lifecycle thinking” and sustainable product innovation



### 2022 Sustainable Product Design Projects

#### Sustainability-Driven Programs

- See our sections on *Personal Care*, *Sensient Natural Ingredients*, *Sensient Natural Extracts*, and *BioNutrients* below.
- Our PCSM global team developed a biodegradability program that requires all new products to be tested for biodegradability, if eligible. The results of testing will inform product design and supplier choice.

#### More-Sustainable Ingredients

- Our R&D teams further developed our Avalanche® and Avalanche® Xtra line of natural products free of metal oxides to replace titanium dioxide in food and pharmaceutical applications.
- Our Personal Care department further developed our SensiOpt White™ range and our Sensifeel™ range to replace the use of titanium dioxide and talc in products, respectively.
- Our Personal Care business discontinued all products that contain PFAS derivatives.
- Our Personal Care business developed Sensisorb® Biomin, an SPF booster inspired by nature that provides excellent color and fragrance protection in cosmetic applications.
- We optimized the extraction of pigment from black carrots. This means it takes less cultivated ground, less water, less energy, and overall fewer resources to make color products derived from our carrots.

#### Localization

- Our R&D teams in Thailand developed methods to locally manufacture flavors that were previously imported from Sensient affiliates overseas, resulting in a reduction in emissions due to international transportation.
- Our R&D teams in Food Colors Europe designed products that utilize locally-sourced aqueous carrot concentrates rather than solvent-based carotenes, resulting in reduced transportation emissions and elimination of solvents.
- Our R&D teams in Food Colors Europe redesigned aluminum-containing colors to substitute beet root products for the aluminum, resulting in a more natural product and a reduction in transportation emissions since the beet root is a local ingredient.
- We reduced the fuel consumption associated with our supply chain in the Philippines by localizing our supply of key raw materials where possible, increasing the packing size of imported products, and consolidating shipments to reduce the number of truck trips necessary to deliver our raw materials.

# Personal Care

For more than 30 years, our product innovation team has been developing natural alternatives to replace synthetic ingredients used in cosmetics and personal care products. Some examples include natural hair dyes to replace permanent and semi-permanent dyes and natural alternatives to synthetic pigments.



Our Personal Care business was rated "Gold" in 2022 by EcoVadis, the world's largest provider of business sustainability ratings.

Sensient's Personal Care innovation platform is dedicated to the creation of not only natural – but also biodegradable and renewable – products.

These products provide superior performance in our customers' applications. They also support our customers' demand for sustainable raw materials for use in their clean-label products. We understand that the pursuit of natural and safe products is not a trend, it is a fundamental requirement, and this understanding is the foundation of our innovation program. In 2022, we further invested in new lab equipment and research in order to boost the use of natural products. We also opened our new Customer and Innovation Lab in New Jersey. The new site has lab space and a virtual interactive visualization and ingredient development studio to support beauty and personal care customers across our entire product range.

Natpure® Sol Crystal is a great example of how we are driving the shift towards sustainable Personal Care products. Natpure® Sol Crystal is a patented, 91% naturally derived solubilizer that is environmentally friendly and easily biodegradable. Its unique design allows personal care product manufacturers to highlight the skin naturally, eliminating the use of alcohols in their products.

Further, Natpure® Xco Choco, a new Sensient product launched in 2022, is derived from a by-product of the cocoa industry, reducing waste through upcycling and making the most out of sustainable ingredients. After careful extraction and drying, this new ingredient can be used in skin care and hair care, providing caramel-like color together with anti-oxidant properties.

Sensient's Personal Care business will continue to make a difference for our customers by focusing on sustainable ingredients that are bio-based, traceable, and biodiverse. We will also continue to improve the communities in which we operate by producing at manufacturing sites that use renewable energy and by constantly looking for opportunities to use less water and generate less waste.



# Sensient Natural Ingredients

Our long-term collaborative relationships have led to sustainable environmental and efficiency improvements, including the conversion of many of our production fields to drip irrigation - the most efficient technology for reducing overall water and fertilizer consumption.



Natural ingredients you can smell, taste, touch, and trust.

Sensient Natural Ingredients offers an expansive portfolio of agricultural products that takes sustainability to the next level. Our PhD plant breeders and research staff constantly strive to develop improved and sustainable strains of seed lines that enhance quality and productivity and reduce overall energy requirements.

Our traditional, non-GMO plant-breeding program consistently introduces new crop varieties in order to more efficiently use land and water resources and to reduce the amount of fossil fuel consumed per unit of production.

Located in prime agricultural growing regions across the American west coast, Sensient Natural Ingredients partners with its network of local farmers and partnerships extending across several generations to sustainably cultivate its garlic, onion, parsley, and capsicums while maintaining strict supply chain management and traceability.

With control over each step of the process, Sensient utilizes decades of process knowledge to ensure ideal field selection, proprietary development of seed varieties, and a customized planting and harvesting process. We operate specialized processing facilities to ensure the safety, stability, and sustainability of our 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.

Because many of these relationships span decades, our growers are integrated partners in our supply chain. Our commitment to sustainability continues in our processing operations. We are continuously working to reduce our fossil fuel consumption per dry pound of product produced through our crop science program, harvest technology improvements, and proprietary dehydrator heat-recovery systems. Our commitment extends to water stewardship, which is why 100% of the water we use to wash our harvested crops is captured and reused for irrigation in nearby farm fields. In addition, 100% of residual skins and culls from our processing operations are collected and used to produce compost to support the growing of crops. We also utilize regenerative agriculture practices including rotating diverse crops to help build resilient farm ecosystems.

Finally, in response to the increasing demand for organic agricultural products grown in the U.S., we are proud to offer our organic-certified line of garlic, parsley, paprika, onion, chili pepper, ancho pepper, and jalapeño pepper. Sensient's line of organic products is grown in compliance with 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 cared for to help ensure safety and high quality from farm to table.



# Sensient Natural Extracts

## SUSTAINABLE PRODUCT DESIGN

Our Sensient Natural Extracts line provides our customers with an environmentally friendly solution for imparting authentic, natural botanical flavor profiles in their products. Compared to traditional extraction methods that use harsh solvents, Sensient Natural Extracts uses clean technology through our patented water-based extraction and Sensient-developed green solvents.

Sensient's investment in natural extracts demonstrates our commitment to providing food, beverage, cosmetic, pharmaceutical, and nutraceutical manufacturers with a variety of products that meet the most stringent quality and safety standards while delivering lasting performance. Our sustainable supply chain philosophy for these extracts calls for local sourcing and the recovery and sale of co-products produced during our manufacturing process. These efforts result in a product with a smaller environmental footprint.

### Cranberry Extracts

By using our cranberry extracts, customers can make clinical label claims, and extend the shelf life of their products while ensuring consistency in their desired bioactive, flavor, and taste profiles. The cranberry products used in the extraction are locally sourced and the concentration of the bioactive components means that they are lighter to transport, require less handling, and generate less waste; they offer customers a sustainable alternative to traditional processing.

### Grape Seed Extracts

This year, by reworking our process for making grape seed extracts, we reduced the disposal of a winery waste stream and created added value from the seeds. Sensient Natural Extraction intends to reduce water consumed in this process by increasing the number of passes the water makes in the technology.



# BioNutrients

## SUSTAINABLE PRODUCT DESIGN

Through our BioNutrients business, Sensient manufactures yeast extracts and peptones that have a wide range of applications in the plant, human, and animal nutrition markets.

The peptides, amino acids, and other growth factors in our products allow us to provide a broad portfolio of consistent, innovative, and tailored nutrient solutions to meet our customers' diverse application needs and deliver value through improved productivity, processing time, and product performance.

Sensient utilizes a circular approach through the upcycling of waste streams from the brewing industry to produce various yeast derivatives for microbial nutrition in human fermentation applications as well as for animal and plant nutrition. This process provides multiple benefits:

- We prevent a yeast byproduct of the brewing industry from going to landfill.
- We recover and sell the alcohol coming in with the product, reducing what would have been hazardous waste.
- We upcycle the cell walls that result from the process.
- We beneficially apply the wastewater sludge generated by the process to fertilize agricultural fields.
- Through fermentation, our nutrients are used to produce many health and wellness products for human application, such as probiotics.



We believe  
how you grow  
is as important  
as what  
you grow.

## Human Nutrition

Viewed as a safe, natural substitute to chemically produced drugs, probiotics used in dietary supplements experienced rising demand during the COVID-19 pandemic, and we expect that demand will continue to grow in the coming years. Other examples of human applications include production of dairy cultures, food protectants, cultured and alternative proteins, vaccines, and pharmaceutical products. Additionally, we utilize a proprietary process to reduce gluten levels in brewer's yeast extracts that can be used in fermentation products intended for human consumption. We are also working with plant-based meat companies to optimize protein production through fermentation, which helps increase the availability of a sustainable protein source as compared to an animal protein source. We develop protein sources that help to improve the efficiency and throughput of fermentation processes to reduce energy usage and the resultant generation of greenhouse gases. According to the Veganism Impact Report, plant-based meat production may ultimately help mitigate 70% of greenhouse gases that are generated as a result of the production of meat products.

## Animal Nutrition

Our products are also used as nutritional supplements for animal feed. As the depletion of arable land has induced pressure on the livestock sector to produce more efficiently with limited resources, our nutrients provide a sustainable and efficient alternative to animal feed.

## Plant Nutrition

Similarly, the usage and accumulation of synthetic fertilizers and their resulting impact on the food chain has driven an increased adoption of biostimulants in farming applications. Sensient's BloomGenix® is an eco-friendly, animal-free line of biostimulant ingredients derived from yeast and various plant sources. These ingredients are abundant in free amino acids, bioactive and hormone-like peptides, B-vitamins, trace elements, and even nucleic acids to improve the uptake of nutrients into the plant, thereby improving the overall yield of the crop, the quality of the harvest, and the resilience of the crops to environmental stressors such as drought, cold, and salinity. The higher nutrient use efficiencies help farmers reduce their use of synthetic nitrogen-based fertilizers.



# Dietary Product Innovations

At Sensient, our R&D teams have developed a wide range of product lines that reflect the consumer drive towards health, transparency, and environmental stewardship. We are constantly improving our portfolio of clean label products, which includes vegan flavors, organic certified products, plant-based products, and extracts.



Consumers value health, the environment, and transparency.

## Vegan Flavors

To meet the growing interest in veganism and other lifestyle changes that involve a reduction in the consumption of animal products and the corresponding environmental benefit, Sensient flavorists and in-house R&D teams continue to help food manufacturers create vegan products without sacrificing the taste experience.

## Plant-Based Protein Solutions

The constantly expanding universe of plant-based meat alternatives, nondairy beverages, and other vegetarian-friendly products is creating myriad opportunities for flavor ingredients to shine. Whether mimicking the taste of traditional meat, fish, and dairy, or creating a unique premium experience, flavors for plant-based products are becoming more sophisticated even as they help product developers overcome formulation issues. Similarly, having the right natural color is also critical. Consumer buying decisions in this category are often driven by the appearance of the product at the time of purchase. Color helps push consumer entry into this category.

Unfortunately, the use of various protein sources to create meat and dairy alternatives can create products with appearance, taste, and texture problems. These problems are sometimes solved by the addition of unhealthy fat, sugar, salt, and other ingredients. Sensient has developed a wide range of natural, healthier technology solutions that work across a wide variety of applications to solve these taste, texture, and appearance issues. These efforts help make plant-based products more appealing to an ever-growing audience of consumers, all while helping to reduce the environmental impacts of food production.

Sensient collaborates with brands and manufacturers to offer sensory expertise with natural colors and taste solutions across the entire plant-based market.

## Dairy-Free Products

TrueBoost™ provides a full range of natural flavoring systems that deliver the rich, creamy mouthfeel and flavoring characteristics consumers crave from full-fat dairy products. TrueBoost flavorings are natural and cost-effective, allowing food technologists the flexibility to easily create healthier products without compromising taste.

## Sodium and Sugar Reduction

Sensient plays an important role in helping food and beverage manufacturers with sodium and sugar reduction initiatives to create healthier products that are natural and label-friendly without negatively impacting taste. For example, SensaSalt® makes our customers' final products more appealing by naturally enhancing target flavors while reducing the sodium content by up to 50%. Our All-Purpose Sweet Solutions (APSS) – one of several of our natural lines of sweetness enhancers – improves sweetness and mouthfeel in low-sugar confectionery, dairy, and beverage products while reducing off notes that can result when less sugar is used.

Sensient creates healthy, earth-friendly solutions that don't sacrifice taste.



## SUSTAINABLE PRODUCT DESIGN

### Clean-Label Products

For health-conscious consumers, clean label products with familiar ingredients are seen as premium, as they create the perception of healthier and more natural. Sensient continues to develop clean-label products and alternatives to synthetic products to help our customers build consumer trust and loyalty.

### Natural Flavor Enhancers

Sensient is ready with innovative, creative flavor enhancements that meet clean-manufacturing requirements, including:

- Natural “nut” flavors that allow for allergen-free, all-natural labeling;
- Ingredient and flavor combinations to lend a sense of indulgence to dairy-free ice cream; and
- Smoke and wood flavors to give an “off-the-grill” experience.

Sensient provides the flavors to boost appeal while also meeting the “free-from” requirement. We help capture consumer demand for great taste that is free from the ingredients that concern them, helping our customers grow brand loyalty and sales.

### USDA Certified Organic Products

Sensient is committed to creating the broadest range of USDA Certified Organic color and flavor solutions to fulfill the demand for natural colors and flavors that fully meet the most stringent organic standards.

Sensient’s Natural Ingredient line of organic products, including garlic, parsley, paprika, onion, chili pepper, ancho pepper, and jalapeño pepper, is grown in compliance with the USDA’s National Organic Program standards without the use of any synthetic fertilizers, herbicides, or insecticides. Sourced from the purest raw materials, our Organic Color Solutions are produced in accordance with all regulatory requirements for USDA Certification and deliver the brightest colors nature has to offer.

### Titanium Dioxide Alternatives

Sensient is working on alternatives to titanium dioxide, which is used in food, pharmaceutical, and cosmetic applications as an opacifying agent. Recent regulatory activity in Europe to ban the use of titanium dioxide in food has led customers everywhere to seek out a replacement. Sensient pioneered a titanium dioxide replacement with our Avalanche® and Avalanche® Xtra portfolios, which are natural opacifiers that can be used in virtually any pH system or food application to match the performance of titanium dioxide and address the clean ingredient needs of our customers. We also continue to work on alternatives to titanium dioxide for use in cosmetic and personal care applications such as oral care, skin care, and makeup.

### Natural Color Solutions

Caramel colors have traditionally been the preferred color option for brown shades in food and beverage applications. However, certain caramel colors have been subject to increasing regulatory and media attention given the presence of 4-methylimidazole (4-MEI), a byproduct potentially formed during the normal heating and browning process of many foods. Although authorities such as the European Food Safety Authority (EFSA), the Food and Drug Administration (FDA), and the Joint FAO/WHO Expert Committee on Food Additives (JECFA) have concluded that 4-MEI in caramel coloring is safe, California requires Proposition 65 warnings for certain products containing 4-MEI and customers are increasingly requesting replacements for caramel colors in various applications. One of the biggest challenges we have overcome has been to produce rich, natural brown shades for use in confectionery to successfully perform under the intense processing conditions encountered in those applications. As a result of our R&D efforts, Sensient is able to offer our customers natural alternatives to caramel in these applications.

### Coloring Foods

Coloring foods based on concentrates and extracts from specially selected edible plant sources support the clean label trend, particularly in Europe, where they are considered food ingredients rather than color additives. Each batch of our coloring food products is approved through our CertaSure™ process, so our customers have the assurance of safety and quality with every purchase.

Sensient’s Cardea™ line of coloring food products meets manufacturers’ highest clean-label demands with coloring solutions made entirely free from additives or preservatives. It utilizes the perfect combination of natural ingredients that work in sync to optimize performance in food and beverage products.

### Clean Extraction with PhytoClean®

Sensient Natural Extracts utilizes its PhytoClean® core technology to produce safe, sustainable, and clean-label extracts for our Flavors & Extracts, Personal Care, and Pharmaceutical businesses. PhytoClean employs an environmentally responsible, solvent-free 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 and the environment by eliminating the use of hazardous organic solvents that require complicated safe-handling procedures and specialized hazardous waste management processes. PhytoClean technology gives Sensient a leading edge, as it allows us to offer highly concentrated botanical actives with greater biological activity than can be achieved through many other extraction processes.

# Employees



## EMPLOYEES

### **Non-Discrimination, Equal Opportunity, and Striving to Uphold the Dignity of Every Employee**

Sensient values the dignity of each employee as a unique person with an individual skill set and perspective. We do not treat people as fungible representatives. We categorically reject individuals and ideologies that seek to sow hate, discord, and division based upon an individual's personal characteristics. We have been and always will be one Sensient at all times and in all places, united by our common humanity and our common dedication to the Sensient Corporate Creed.

Sensient provides equal employment opportunities to all people and seeks to comply with all national, state, and local Equal Employment Opportunity laws, orders, and regulations in conducting its activities.

The Company does not discriminate based upon race, religion, color, sex (which includes pregnancy, orientation, identification, expression, and all other legally protected characteristics), age, national origin, disability, veteran or military status, political beliefs, or any other characteristic now or subsequently protected by applicable law (collectively, "protected classes"). The Company seeks to administer, on a non-discriminatory basis and in compliance with all applicable laws and our Corporate Creed, all policies, benefits, and programs, including but not limited to those relating to interviewing and selection, compensation, promotion, transfer, layoff, recall, and training.

Failure to provide equal employment opportunities, including those listed above, because of an individual's status in a protected class is a violation of the Company's Code of Conduct and is not tolerated or condoned by the Company. Upon proof of a violation of these rules, any offending employee will be summarily terminated.

Sensient also seeks to provide a work environment that is respectful of every person and is free from discrimination, intimidation, and harassment based on an individual's status in a protected class. Sensient's Code of Conduct specifically prohibits discrimination, intimidation, and harassment and calls for summary termination of anyone found to have violated these anti-harassment policies.

We regularly communicate and rigorously enforce these expectations, as well as provide employees with multiple ways to report concerns. We investigate all concerns reported that implicate the Code of Conduct. This year, every confirmed violation of the Sensient Code of Conduct once again resulted in termination. Our CEO shares a summary of Code of Conduct violations with our employees every quarter to reiterate our absolute commitment to a respectful workplace free of discrimination. Employees receive training on the Code of Conduct at the time of hire and receive retraining on an annual basis.

## Hiring

We employ inclusive hiring practices. All employment decisions, including interviewing, hiring, compensation, training, promotions, transfers, and lay-offs, are based on both the principle of equal employment opportunity and each individual’s personal skills and abilities, character, and dedication to the success of the Company. We do not discriminate based upon anything other than a person’s ability to do their job well. Doing anything else is unfair, unjust, and patently inequitable.

We have a dedicated internal talent acquisition team, with deep knowledge of our Company and our core values, in order to help us find the best prospective employees for open positions worldwide. Our strategies to broaden the pool of potential applicants include working alongside professional organizations and educational institutions and collaborating with local community leaders. We also challenge ourselves to take a broad view on talent acquisition, including routinely seeking talent from non-traditional backgrounds and from outside our industry, and moving beyond restrictive pedigree requirements in favor of skills and the ability to learn. Sensient uses innovative recruiting strategies to strengthen our pipeline of talent. For example, we have implemented a gamified AI-based platform to identify, without bias, candidates for our sales and certain technical roles who share the behavioral and cognitive attributes of our most successful people from around the world.

## Workforce Demographics

Our workforce demographics display the diversity of our employees and our commitment to inclusive hiring and promotion practices. As of December 31, 2022, the Company had approximately 4,094 employees, with approximately 44% based in the U.S. and 56% outside of the U.S. The consolidated Federal Employer Information Report EEO-1 (“EEO-1Report”) attached in the appendix provides a summary of our U.S. employees as of December 31, 2022.<sup>3</sup> Approximately 33% of our employees in the U.S. are female, and globally the representation of female workers is approximately 36%.<sup>4</sup>

We are proud of the unique backgrounds and perspectives of the Company’s leaders, including with respect to sex, race, ethnicity, and other factors. Of the Company’s 15 officers, four are women; two are African-American, including one African-American woman; one is Asian/mixed race; and three are veterans of the U.S. Armed Forces.

Our anti-discrimination principles and commitment to leveraging diverse experiences also extend to our nominating practices for our Board of Directors, where this past year we were proud to be recognized by “50/50 Women on Boards” for the eleventh year in a row and recognized by Milwaukee Women Inc. for the percentage of women on our Board. Of our ten directors as of December 31, 2022, four are women, one of whom is African American; one is South Asian; two are immigrants to the United States; and one is a veteran.



## Employee Development

At Sensient, our philosophy on talent development is to foster a learning environment where employees can develop to reach their full potential in their roles today and to prepare them for future career growth at Sensient for tomorrow. Our talent is a key differentiator, and employee growth and development is a top priority.

In order to continue to develop and retain our key talent, we offer training programs based upon the employee’s role in the Company. We also maintain personalized career planning, ongoing coaching and development by Corporate and local leadership, and a “High Potential Program,” which ensures our key talent learns from and gains exposure to senior leadership. Performance reviews and succession planning occur Company-wide on an annual basis. Individual goals, which flow from the Company strategy, are set annually for employees, and attainment of those goals is an element of the employee’s annual performance assessment. We invest in our development programs for high-impact roles, such as our General Management Development, Sales Representative Trainee, Flavorist Trainee, and High Potential programs. We continue to “promote-from-within” and provide opportunities for our internal employees to grow their careers, with over half of our senior leadership and over half of our business unit leaders previously having been promoted to their current role from within the Company. We closely monitor turnover, both overall and in critical roles, and solicit detailed exit survey feedback from departing employees, to evaluate our retention efforts and identify areas of need for future investment. This year, we continued to develop a new Talent Development and Learning position, dedicated to expanding our programming on leadership, coaching, people management, career development, and learning.

<sup>3</sup>The EEO-1Report provides a demographic breakdown of an employer’s U.S. workforce by race and sex in certain prescribed job categories. The 2022 EEO-1 Report is not certified and has not been finalized or filed with the U.S. Equal Employment Opportunity Commission as of the publishing of this report. Sensient will complete and file a final 2022 EEO-1report when the EEOC begins collecting the information, anticipated in April 2023.

<sup>4</sup>Based on available information; we do not collect gender information from all applicants or employees.



## On-Boarding

After hiring a candidate, we believe that an effective on-boarding program is a critical factor in whether a new employee succeeds or fails. We conduct a survey of new hires to solicit feedback on our recruitment and on-boarding practices and utilize that feedback to further enhance how we bring new employees into the organization. We continue to develop, and improve upon, an effective on-boarding process to differentiate ourselves from our competitors and help enable our employees to succeed.

## Employee Benefits & Well-Being

We firmly believe that every Sensient employee contributes to our success. To reward our employees and attract other high performers, we offer competitive compensation and 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. In the U.S., Company contributions to the cost of our employees' health care plans amount to approximately 80% of total premium costs, well above the industry average of around 75%. We also allow our U.S. part-time and seasonal employees at our Natural Ingredients business to participate in many of the same programs as our full-time employees, including our Savings Plan 401(k) program.
- Generous employer match for participants in our Savings Plan 401(k) program.
- No-cost disease management program available to all employees enrolled in a Sensient health plan.
- Third-party employee assistance program that offers free and confidential counseling, referrals, and follow-up services to employees with personal and/or work-related problems.
- Generous paid time-off policies to promote better work/life balance.
- Paid parental leave program for new parents to support our employees through the transformational experience of becoming a parent. In the U.S., eligible new parents of a child through birth or adoption receive six weeks of paid leave, with an additional 10 weeks of paid leave for new birth mothers for recovery from childbirth and new parents who are the primary caregiver of a child by adoption or surrogacy.
- Scholarships and tuition assistance for eligible employees to further their career development and to increase their value to Sensient. Under this policy, employees may receive financial assistance when taking formal, educational courses from accredited schools.
- Pet insurance for eligible employees in the U.S. Participating employees have the convenience to pay insurance premiums through payroll deductions to help alleviate costs of veterinary care needs.
- Support of Executive Order 13518, The Veterans Employment Initiative, to help U.S. military veterans find civilian employment. As noted above, our Board includes a veteran, and three out of the five Named Executive Officers in our 2023 Proxy Statement are veterans.
- Paid internship and co-op programs to educate the future of our industry with valuable hands-on experience and training.



- Sales Representative Trainee Program that provides extensive, real-life job experience and instructional learning, and individualized mentoring from an experienced, successful sales manager to develop high-potential candidates into successful sales account managers.
- CEO-led supervisor and manager training sessions conducted globally.
- Opportunities for employees to participate in international work assignments.
- Monthly CEO town halls with all employees via live video.
- Ongoing training for managers to lead, coach, and support our employees. In 2022, this training included continuation of the Coaching Challenge initiative to enhance the coaching activities of Sensient's leaders. Additionally, the Company developed and implemented a new training video in 2022 to orient new leaders to the Company's structure, annual people management processes, and leadership fundamentals.
- 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 \$5,000 per year of college for up to four years.
- Monitoring of employee satisfaction and engagement through surveys of the recruiting and onboarding process for new hires; new hire check-ins; stay interviews, which are mandatory for all key talent; and exit surveys and interviews for departing employees.
- Employee Referral Program that rewards Sensient employees for referring a successful hire during the recruitment process.
- Employee Stock Ownership Plan.

## Employee Health and Safety

Our employees are our most important asset. We take pride in our strong and continually improving health and safety programs, which we view as important aspects of our economic health and core values. We expect each employee to actively participate in and contribute to this philosophy.

**The following examples demonstrate our commitment and progress toward achieving our goal of providing the safest workplace possible:**

- Corporate Environmental, Health, and Safety (EHS) Department oversight of safety and compliance matters at all Company facilities.
- Regular third-party EHS audits conducted at Company facilities at the direction of the Corporate Legal Department to determine the state of facility compliance with applicable safety laws and regulations.
- Implementation of “best-practice” programs and management systems across all business units worldwide.
- Ongoing capital investments aimed at continually improving 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.
- 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 injuries and near misses to ensure that lessons learned can be applied across the entire organization.
- Continued compliance with all applicable regulations regarding COVID-19 protocols.

**Non-negotiable rule: We do not operate recklessly or without regard to health and safety. We make safe products in safe facilities and strive to keep each other safe as well.**



# Philanthropy & Community Service

Sensient is a passionate steward of the health and vitality of the communities in which we operate.

**Intentional and robust community engagement makes certain we can retain exceptional employees and ensure a strong social standing in the community. Whether it is supporting local charities or helping to beautify and improve our local neighborhoods, Sensient believes in being a good neighbor and contributing to the betterment of the greater community.**



## THE SENSIENT FOUNDATION

Sensient operates a 501(c)(3) Corporate foundation that supports non-profit charitable organizations in the areas of education, health and welfare, culture and arts, and civic activities and that provides a matching funds program for qualifying employee charitable donations. The foundation serves local communities and creates goodwill and trust towards the Company.

Sensient's foundation gave **over \$775k in donations** to a variety of charities in 2022.

- In light of the Russian invasion of Ukraine in February 2022 and the humanitarian crisis that followed, Sensient employees and the Sensient Foundation donated \$15,000 to relief efforts. Donations to the International Committee of the Red Cross and Sunflower of Peace went toward providing clean water and medical care and supplies for families affected by the fighting. Sensient employees also donated winter clothing for local refugees.
- The Sensient Foundation continues to be one of the largest supporters of the Milwaukee Ronald McDonald House, Rescue Mission, and the Women's Care Center near the Corporate headquarters.



SENSIENT®  
FLAVORS & EXTRACTS



STRENGTHENING COMMUNITIES

Sensient also sponsors volunteer opportunities for our employees to support local charitable organizations.

**From the neighborhoods surrounding our manufacturing facilities to the fields where our products are grown, we are dedicated to creating and investing in our local communities. Some examples of our efforts include:**

- Sensient employees in Michigan have adopted a three-mile highway section in order to help maintain the cleanliness of our environment alongside a major roadway. This is important for our community, visitors, and daily commuters, and it keeps trash from washing into drainage ditches and waterways.
- Each year, our Global Flavors Innovation Center collaborates with the WINGS Program, the largest domestic violence service provider in Illinois, to provide housing and other services to women and children escaping domestic abuse. This year, the WINGS program provided Christmas gifts and décor to 115 families.
- In New Zealand, Sensient employees participated in Planting Day at Mt. Richmond, a forest park near the Company's office. Twelve Sensient employees helped plant nearly 3,000 trees to support local ecosystems and decrease erosion.
- In Uganda, our strategic partner employs more than 300 families, some displaced from nearby war-torn countries, in the growing of sustainable crops. In exchange for their work, parents receive 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. Sensient is in the process of donating a seed thresher to help the farmers mechanically harvest annatto seeds, which will be less physically demanding for workers and expand production.
- In the Philippines, we provided Christmas food packages to nearly 2,000 growers and pickers on our butterfly pea farms. This year we also conducted our first annual butterfly pea awards to recognize our growers in categories such as "most innovative," "cleanest farm," and "highest yield." Our award winners earned a small cash award, a certificate, and a butterfly pea flower trophy.





## EDUCATING THE FUTURE

Education puts societies on a path toward good health, empowerment, and employment.

**At Sensient, we are passionate about investing in education and empowering the leaders of tomorrow to solve the issues of today. Some of the partnerships and initiatives we were involved in this year include:**

### Milwaukee Academy of Science

This past year, we continued a partnership with Milwaukee Academy of Science (MAS), a charter school currently serving K4-12 students from the most disadvantaged areas in Milwaukee. MAS is the only school serving the highly vulnerable 90-80-10 student population that is 'Exceeding Expectations' in Milwaukee (90% economically disadvantaged, 80% or more minority students, 10% or more students with special education needs). For the second year, Sensient funded the construction of a STEAM (science, technology, engineering, art, and mathematics) Innovation lab at the school. We are proud to support the enhanced educational opportunities for the children of Milwaukee, and we look forward to continuing to deepen our involvement with MAS.



### Local School Partnerships in Latin America

In one of the communities in which we operate, we partner with a local kindergarten school to provide the necessary supplies and assistance they need to properly meet their students' needs. We have also engaged with many of the parents within the community to better understand their needs and to look for ways to continue to expand our involvement.

This is just one of the schools we support within this particular community. This year, Sensient donated more than \$35,000 to five local schools in Latin America, which went toward maintenance repairs and security improvements. Additionally, in conjunction with a local NGO, Sensient employees provided nearly 500 meals to families of the nearby community in late December.

### Supporting Growers' Families' Education in the Philippines

Our commitment to responsible sourcing means we strive to improve the quality of life for our growers and their families. This year, we provided two high school scholarships and two college scholarships to the children of contract growers in the Philippines. In addition, we also awarded laptops, printers and other supplies to an Alternative Learning System school established by one of our consolidators on her farm. Because of this school, farm workers get a chance to pursue elementary and high school education (similar to GED).

### Expanding Graduate Education in Southeast Asia

Long-term partnerships and investments through our Seed-to-Shelf™ program ensure that we can create a lasting community impact and continue to innovate to optimize botanical color sources. Empowering and expanding graduate research supports this mission. Sensient continues to sponsor the graduate research program at the University of Padjadjaran in Indonesia to support students studying and further developing natural colors for agronomy. This investment in the future of natural colors will contribute meaningfully to the world of color from botanicals and we are excited to see what these enthusiastic young scientists discover through their studies. Sensient currently sponsors an annual \$20,000 Graduate Student Scholarship Grant for Masters of Science and PhD students at the University of Padjadjaran. Since 2017, the program has graduated 15 baccalaureate and post-graduate (5-BS, 7-MS, 3 PhD) students and has published 19 scientific journal articles and eight book chapters.



EMPOWERING WOMEN AROUND THE WORLD

We are proud of the extraordinary women within our organization, and we are passionate about furthering opportunities for women, especially in STEM careers.

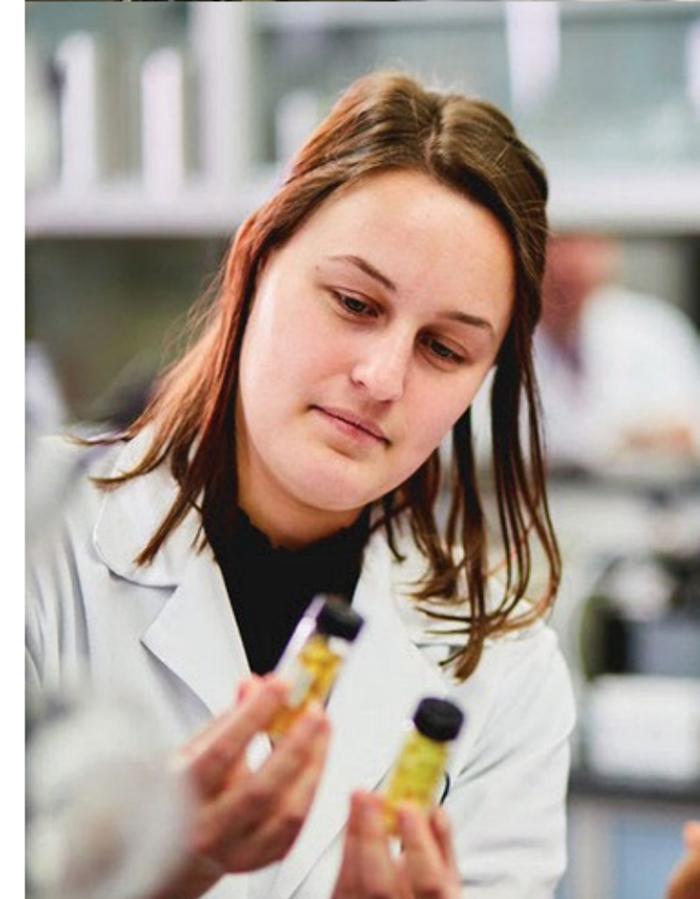
**This year, we continued to support a number of impactful women-led enterprises and initiatives.**

**Women Owned & Operated Farms**

Sensient's global agronomy Seed-to-Shelf™ program empowers women, one botanical at a time. In Southeast Asia, we have partnered with a farm owned and operated entirely by women to grow our natural blue botanical. Each woman is empowered to independently run her own part of the farm. These women are given the necessary tools and knowledge to ensure they grow a productive crop, become efficient pickers, and operate healthy and clean plots. They also learn to weave baskets for harvesting the crops and sell them in the community to generate additional income for their families.

**Supporting Indigenous Women in STEM**

The native agriculture and food sector is fundamental to indigenous cultural and social identity. The lack of participation by indigenous people (and women in particular) is likely impacting their ability to secure economic, health, cultural, and social benefits for themselves and their communities. To help combat this issue, our Australian business continues to donate to the "Indigenous Entrepreneurship & STEM Native Food Project," a partnership between Food Futures and other local organizations. The program focuses on developing entrepreneurship pathways while integrating cultural connections and the development of new knowledge and skills in a range of STEM disciplines.



# Corporate Governance, Legal Compliance, & Risk Oversight

## CORPORATE GOVERNANCE

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. Sensient's Board takes a leading role in overseeing Sensient's overall risk tolerances as a part of the strategic planning process and in overseeing Sensient's management of strategic risks.

### Board of Directors Committee Oversight

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, regulatory compliance, and litigation risk mitigation. 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 as well as over environmental performance and for matters relating to Sensient's Environmental, Social, and Governance efforts, including the Company's Sustainability Strategy, this Sustainability Report, and oversight of climate risk (see sections on "Climate-Related Governance" and "Climate-Related Risks & Opportunities"). It has delegated to the Finance Committee primary oversight responsibility with respect to Sensient's capital structure, insurance program, use of swaps and other derivative instruments, and foreign currency management. The Board has assumed direct responsibility for Sensient's product safety, personnel safety, physical security, human capital management, and cyber and intellectual property security programs.

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 executive officers of Sensient and routinely receives presentations from Group Presidents, General Managers of the various business units, technical leaders, and product safety leaders.

The Board, through the Audit Committee, oversees a number of activities undertaken by management to monitor financial reporting risks and internal controls. Those activities include regular audits of significant business units by Sensient's Internal Audit Department, annual audit and quarterly reviews by Ernst & Young LLP, an annual internal 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.<sup>5</sup>

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:
  - o Antitrust Compliance Manual
  - o Anti-Bribery Policy
  - o Company Confidential Information Policy
  - o Cybersecurity Principles
  - o Insider Trading Policy
  - o Supplier Code of Conduct
- Securities Compliance Manual
- Cybersecurity Policy
- Global Privacy Policy
- Sustainability Report
- Export Compliance Policy
- Food Safety/Recall Manual
- Physical Security Policy

**Non-negotiable rule:**  
We always operate with integrity and we always tell the truth.

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 of Conduct includes, among many other rules, strict integrity, professionalism, safety, and personnel policies to prevent harassment, discrimination, and retaliation, 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 of Conduct violation and the disposition of each investigation. To ensure all employees understand the importance of the Code of Conduct, violations and dispositions are also reviewed with employees and the CEO publishes an internal blog to all employees explaining each violation and emphasizing the importance of adhering to the Code of Conduct.

When we say that we have zero-tolerance for discriminatory or other bad behaviors, we really mean it. Once again this year, every confirmed violation of the Sensient Code of Conduct resulted in termination.



## RISK OVERSIGHT

### Cybersecurity

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

- The Board has defined high-risk cybersecurity areas for the Company and implemented comprehensive programs to address these risks.
- Management reports at least twice annually to the Board of Directors on cybersecurity progress and effectiveness.
- The Company has formed an executive-level steering committee (including the CEO, CFO, Group Presidents, General Counsel, VP, Human Resources, Controller/Chief Accounting Officer, and Chief Information Officer) that provides oversight and routinely discusses cybersecurity matters.
- The Company has implemented an annual employee training program, regular cyber executive incident response simulations, and regular cyber penetration testing.
- The Company has made significant investments in our technical capabilities in all areas of security.

### Product Safety

The Board oversees a robust program relating to product safety, which includes the following elements:

- The Board receives a report on product safety related issues at each meeting.
- Maintenance and update of a Food Safety/Recall Manual, which the Board of Directors reviews annually.
- Annual mock recall drills.
- All product safety issues are reported to the CEO, and Sensient's head of product safety and quality is a direct report of the CEO. In 2021, the Board formalized the existing practice of the CEO reporting product safety issues to the Board in a written policy, which sets forth specific reportable events and a timeline for required Board notification when a product safety issue occurs.
- Sensient has established guidelines for Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), and, since 1999, conducts comprehensive product safety audits, including GMP/HACCP audits, at all of our food ingredient manufacturing facilities.
- 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.
- Environmental monitoring program to screen our manufacturing facilities, equipment, and personnel for contamination.
- 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.
- In-house compliance attorney who is continually engaged with the business units on product regulatory matters.
- CEO and Group President plant inspections.
- Food defense plans in place at all of our food ingredient manufacturing plants.
- In 2022, no Sensient products were recalled.

### Chemical Risk Strategy

The Board oversees the Company's Chemical Risk Strategy, which we implemented in 2015 to identify, assess, and manage risks associated with potentially harmful chemicals in products. This ongoing program is led by our CEO and Directors Drs. Wedral and Ferruzzi and SAC member Dr. Eric Decker.

Sensient's Chemical Risk Strategy is a risk mitigation program that is designed to identify chemicals used by Sensient that are, or may soon become, a legal, regulatory, safety, or litigation risk and take action to mitigate risk to Sensient.

#### OUR CHEMICAL RISK STRATEGY HAS SIX COMPONENTS:

##### IDENTIFY

Identify all potential chemical risks as soon as possible.

##### PROTECT

Ensure our workers are protected from potential chemical risks with engineering controls (e.g., ventilation), administrative controls (e.g. safe work procedures and warnings), and/or state-of-the-art personal protective equipment, as necessary.

##### WARN

Ensure adequate warnings about potential risks are appropriately communicated to our customers.

##### REFORMULATE

Reformulate products if possible, using less-risky chemicals.

##### INNOVATE

Develop a safer alternative to the risky chemical.

##### ELIMINATE

Where reformulation is not possible and warnings cannot mitigate risk, stop selling products containing the risky chemical.

### Environmental, Health, and Safety

The entire Board has oversight of policies and operational controls of EHS risks through the following:

- A robust EHS program 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 environmental compliance and personnel safety matters.
- The Board receives a report on personnel safety related issues at each meeting.
- Annual Board review of Company's EHS program.

## Human Capital Management

The Board oversees the Company's Human Capital Management program, including the following elements:

- The Company seeks to benefit from the full spectrum of human talent, hiring the best talent and reflecting the needs of our customers and the communities in which we operate. To this end, the Company has a dedicated internal talent acquisition team that sources talent from a broad range of backgrounds and utilizes emerging technology, guided by a deep understanding of the Company's business objectives and core values of integrity, professionalism, and safety.
- The Company closely monitors and demands excellence in our on-boarding process to ensure all new hires have the tools, training, Company knowledge, and management support necessary to succeed in the organization from day one.
- The Company maintains and reviews annually our compensation and benefit programs to confirm that it is providing market-competitive offerings designed to reward high performers and retain talent.
- The Company conducts succession planning organization-wide on an annual basis to evaluate the pipeline for leadership roles and implement development plans for key talent.
- The Company utilizes internal development programs such as the Sales Representative Trainee Program, the General Management Development Program, the Flavorist Trainee Program, and the High Potential Program to provide a robust internal pipeline of talent for high impact roles in the organization.
- The Company facilitates the development and progression of our workforce through goal-setting, performance evaluations, individual development plans, leadership training, and ongoing individualized coaching and development.
- The Company regularly communicates and rigorously enforces our non-negotiable expectations of integrity, professionalism, and safety, which encompass an unwavering commitment to equal opportunity and non-discrimination, and which underpin the Company's strategy to draw from the fullest set of talent possible.
- The Board of Directors reviews the Company's Human Capital Management program on an annual basis.
- Under the Company's Code of Conduct, a Company lawyer (or designated outside counsel outside the U.S.) must review and approve all employee terminations to ensure they are warranted and compliant with all applicable laws.

### Other Legal and Regulatory Risks

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

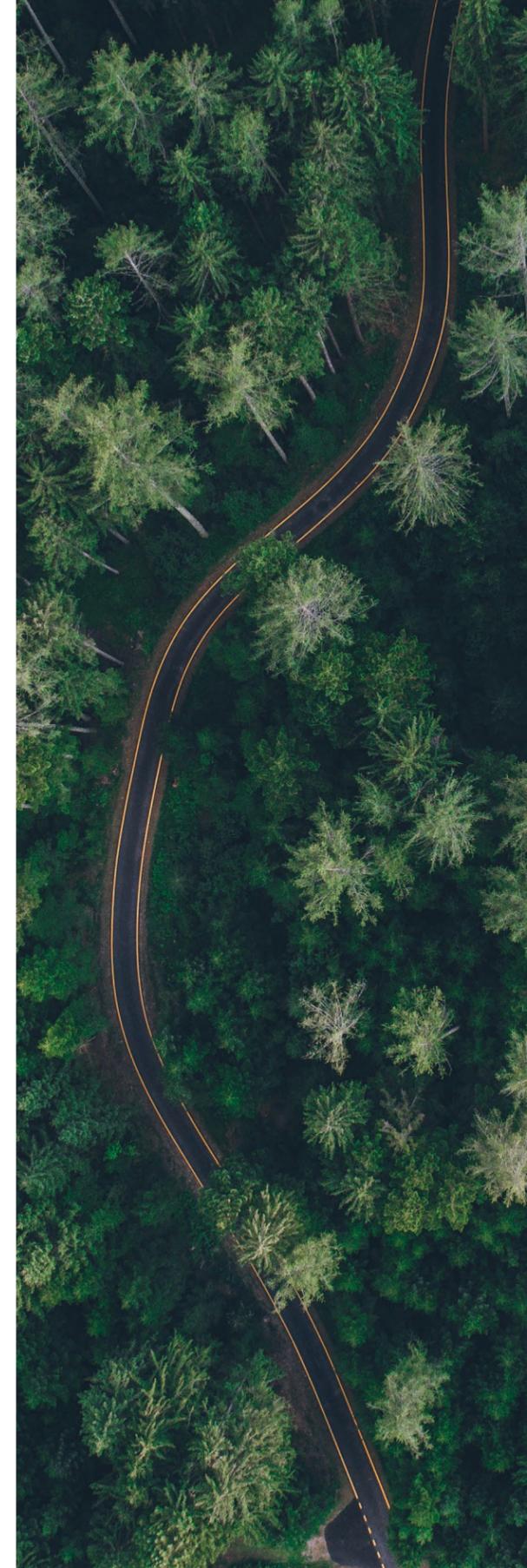
- A strong Regulatory Affairs department overseen by a Vice President, who reports to the General Counsel.
- A corporate physical security program led by a retired Secret Service Agent, who reports to the General Counsel.
- In-house securities attorney.
- Legal Department review of all contracts.

Sensient exercises due diligence in attempting to prevent and detect unethical or unlawful conduct by our employees or suppliers. Employees are required to question possible misconduct and resolve any misconduct issues through the procedures outlined below. Internal reporting is also explicitly encouraged (though not required) by the SEC's whistleblower bounty rules.

Anyone who has knowledge of potential misconduct, unethical activity or violations of the Code, Supplier Code, Sensient policies, and/or applicable law and regulations must promptly report the suspected violation through one of the following channels:

- Report in-person to a manager/supervisor or a member of Sensient's Human Resources or Legal teams.
- Email [supplierconcerns@sensient.com](mailto:supplierconcerns@sensient.com) for any supplier code of conduct concerns.
- Call the violation hot line at 414-347-3897 for any possible violations.
- Complete the online form within Sensient's intranet (for employees only).

All employees are required to cooperate fully in any investigation of a potential violation, and they receive periodic training on the provisions of the Code. The Code and the periodic training are designed to give employees the tools they need to help Sensient comply with applicable laws and to operate consistently with high standards of business and personal ethics. This avoids actions that could cause harm to Sensient and communicates to our shareholders and the community that we manage our business conduct as diligently as we manage our business operations.



# Climate-Related Governance



## BOARD OVERSIGHT

Sensient seeks to be a leader in environmental sustainability and is committed to the principle of sound environmental stewardship, which encompasses issues concerning our climate.

The Board has delegated to the Audit and Nominating and Corporate Governance Committees responsibility for overseeing risk, including climate-related and governance risks. The Nominating and Corporate Governance Committee has responsibility for oversight of environmental performance and for matters relating to the sustainable management of Sensient’s business activities.

### Process and Frequency

Sensient manages sustainability through an interdisciplinary approach, with the Nominating and Corporate Governance Committee primarily tasked with the oversight of matters relating to sustainability. The Committee reviews the Company’s environmental and safety performance and monitors the progress of climate-related goals periodically at its Nominating and Corporate Governance Committee meetings. The Committee reviews compliance with internally established sustainability principles, analyzes the impact of environmental trends, reviews potential climate-related risks, and considers the adoption of new sustainability goals. In addition, the Nominating and Corporate Governance Committee receives periodic updates from management detailing all potentially relevant climate risks and sustainability issues. The full Board annually reviews overall strategy relating to sustainability and conducts formal strategic reviews at each meeting. The Nominating and Corporate Governance Committee reviews management’s sustainability goals and assessment of climate-related risks and reports to the Board on its review. These goals include targets for improvements in energy efficiency, water efficiency, and waste reduction, as well as goals to strengthen the traceability of our supply chain and to design products that support our sustainability ambitions.

### Climate Concerns in Company Strategy and Performance Objectives

The Board of Directors endeavors to consider climate-related issues when making large, strategic decisions, including with respect to annual budgets, business plans, major capital expenditures, acquisitions, and divestitures. All major decisions made by the Board of Directors allow for the Board’s input on climate and sustainability-related issues and opportunities. In addition, when implementing appropriate risk management policies and guidelines for Sensient, the Board contemplates climate and sustainability risks. When reviewing its governance standards, the Nominating and Governance Committee does the same.

Our management is responsible for monitoring the progress of climate and sustainability goals as part of its ongoing duties. For the Board of Directors to assess the progress of climate and sustainability goals, the Nominating and Corporate Governance Committee recommends performance objectives for specific managers as well as of Sensient, generally. The Board reviews management’s performance, reports, and data to ensure objectives are being met and periodically discusses the status of climate and sustainability targets.



## MANAGEMENT OVERSIGHT

Management plays the primary role in the oversight and implementation of climate and sustainability risks, opportunities, and goals, as well as execution of the Company's Sustainability Strategy.

### CEO

The CEO is the highest management-level position responsible for both assessing and managing climate and sustainability risks and opportunities. The CEO regularly reports to the Board of Directors on such matters. Examples of recent initiatives with a sustainability impact led by the CEO include:

- The implementation of our Chemical Risk Reduction Strategy, which works to proactively identify, mitigate, and eliminate potential hazards associated with the use of certain chemicals;
- The implementation of our CertaSure™ program, which establishes voluntary FDA-like quality and safety standards for natural colors (which are otherwise only lightly regulated); and
- Our Seed-to-Shelf™ Program, which seeks to ensure exceptional traceability for the Company's natural botanical and agricultural raw materials.

### Risk Management Committee

Risk assessment and risk management oversight are the responsibility of the Company's management. The Risk Management Committee is comprised of key members of management and provides administrative oversight to existing internal risk management processes and risk mitigation programs, including product safety; environment, health, and safety; physical security; commercial; financial; cyber security; legal and regulatory compliance; corporate governance; and sustainability and climate-related risks. The Committee meets and reports the results of its activities and recommendations for any changes to the CEO at least annually. The General Counsel reports to the Audit Committee regarding the risk mitigation activities of the Company at least annually.

### Sustainability Steering Committee

The Sustainability Steering Committee (SSC) is a cross-functional management leadership team chaired by the General Counsel. The SSC meets monthly and provides strategic leadership and guidance to help the Company execute on our Sustainability Strategy and to help us achieve our environmental sustainability goals. The SSC has the following authorities and responsibilities:

- Review and evaluate the Company's Sustainability Strategy.
- Develop an action plan to execute on the Company's Sustainability Strategy.
- Review all sustainability-related capital expenditure projects prior to approval.
- Through the General Counsel, provide updates to the Nominating and Corporate Governance Committee on progress associated with sustainability goals.
- Identify, evaluate, and monitor sustainability/environmental issues, risks, laws, regulations, shareholder and governmental pronouncements, and other trends that could affect the Company, customers, and other stakeholders.
- Ensure the Sustainability Strategy and the Company's overall strategy are aligned and that appropriate internal policies and procedures are in place to support strategy execution.
- Oversee communication of the Sustainability Strategy to internal and external stakeholders.
- Make budget allocation recommendations for capital expenditures on sustainability projects.



## Environment, Health, and Safety Policy

Our Environment, Health, and Safety Policy approved by our CEO describes the following principles and commitments that guide our interactions with the environment:

- We will meet or exceed all applicable local, state, and federal environmental standards.
- We will implement all Company environmental rules.
- We will provide regular environmental awareness training.
- Our Code of Conduct requires employees to communicate potential environmental risks to management.
- We facilitate transparent reporting and investigation of environmental incidents.
- We establish measurable objectives and metrics to track our performance.



## MANAGEMENT OVERSIGHT

### Environmental, Health & Safety (EHS)

The Corporate EHS team works closely with the Sustainability Steering Committee and each individual facility to ensure that climate-related risks and opportunities are identified and monitored within each business unit and that our environmental disclosures are accurate and credible. They collaborate with site-level EHS personnel to ensure that the requisite climate risk tools, processes, and procedures are developed and integrated into the Company's EHS Management System. The Corporate EHS department reports to the Director of EHS, who is also a lawyer within our Legal Department, and reports to the General Counsel.

### Senior Management

Climate and sustainability issues, along with product and chemical management, are monitored at all levels of the Sensient organizational structure, which collectively is comprised of a diverse team of leaders. Having climate and sustainability issues assessed throughout the corporate structure allows for an improved understanding of related risks and opportunities.

Management is informed about climate and sustainability goals and strategy through periodic communications with the Sustainability Steering Committee and through the Company's annual sustainability reporting. All management personnel, including Group Presidents and General Managers of the various business units, are responsible for monitoring climate and sustainability related risks and opportunities as part of their ongoing duties and job responsibilities. Each Sensient business unit is responsible for integrating sustainability issues, as appropriate, into day-to-day operations, project development, and decision-making.

Management is responsible for reporting on the Company's environmental, social, and governance efforts, which may include updates on climate and sustainability progress, to the Board of Directors and the Nominating and Governance Committee on at least a quarterly basis.

### The ESG Working Group

In 2020, we established an internal ESG Working Group that encompasses employees from all Sensient business units and departments to more effectively advance our sustainability initiatives. This group meets on a routine basis to discuss ESG matters, including any site-specific issues or any opportunities for collaboration and advancement, both environmentally and socially. The efforts of the ESG Working Group will allow for more meaningful impact as we pursue a more robust ESG strategy across our entire Company. Through the ESG Working Group and Sustainability Steering Committee, we are constantly evaluating new ways to drive sustainability in our day-to-day operations and reduce our environmental impact in the areas of energy consumption, generation of waste materials, and water consumption. Not only will these efforts reduce our environmental footprint, they will also allow us to operate more cost effectively and provide greater returns to our shareholders.

We are constantly evaluating new ways to drive sustainability in our day-to-day operations and reduce our environmental impact in the areas of energy consumption, generation of waste materials, and water consumption.

- Our facilities will adopt formal environmental management systems to help us meet our compliance obligations, prevent pollution, reduce waste, and use energy more efficiently.
- We are committed to continuous improvement by integrating sustainability and environment, health, and safety goals into our business planning and decision-making processes, including our capital investment decisions.
- We will consult with relevant stakeholders on environmental performance.
- We will continually monitor and manage our performance and publicly disclose metrics in our annual Sustainability Report.
- We will conduct audits and implement best practices to ensure compliance with this Policy.
- We demand that all contractors working for us will operate according to these same standards.

# Climate-Related Risk & Opportunities

## CLIMATE-RELATED RISK MANAGEMENT

### Risk Identification Process

Sensient's process for identifying and assessing climate and sustainability risks and opportunities is integrated throughout the corporate structure, with oversight from the Nominating and Governance Committee. Climate change is viewed as a potentially existential risk and Sensient treats it with the requisite care. The Sustainability Steering Committee, chaired by the General Counsel, monitors and reviews emerging climate-related regulatory issues among other energy and environmental matters. Additionally, the CEO regularly speaks with Sensient's Legal Department and other relevant experts to identify potential climate risks and opportunities. In discharging its risk oversight responsibilities, the Nominating and Governance Committee also speaks periodically with the General Counsel, who monitors climate-related lawsuits filed against other corporations, to identify any developing risks.

Climate risks are assessed based on the magnitude and likelihood of impact, potential financial impact, return on investment, scale of capital costs or operational expenditures, and potential for disruption or delays in production.

### Risk Management Process

Climate risks are assessed in a similar manner as other risks. Generally, management – including members of the Sustainability Steering Committee, Business Unit General Managers, and Group Presidents – assess the likelihood that a risk will materialize against the potential impact of the risk when deciding whether to accept, transfer, or control the risk. Management's assessment involves a review of the relevant data, evaluation of the literature, and discussion with key personnel. When considering the weight of a risk, management also evaluates whether significant capital expenditures or increased operating costs will be required to address it.

After risks or opportunities are identified and assessed, management recommends, reviews, and formulates responses or action plans to the associated risk or opportunity. Management tailors the response to each new risk or opportunity given the Company's values, past experiences, and overall objectives. The Nominating and Governance Committee's review of the recommended plan depends on the significance of the risk and whether the identified risk is a short-, medium-, or long-term risk.

Once approved, the Company implements the risk response plan. The Nominating and Governance Committee periodically reviews the effectiveness of the plan in delivering the intended risk reduction and addresses any shortcomings in the procedure to manage the identified risks. If any shortcomings are recognized, the Nominating and Governance Committee requests that management formulate an amended response or action plan.

### Integration with Enterprise Risk Management

The identification process for climate-related risks and opportunities is incorporated into the larger risk management framework of the Company. The Risk Management Committee is responsible for providing the oversight in identifying all material risks to the Company. The Nominating and Governance Committee reviews those risks.



## CLIMATE-RELATED STRATEGY

### There is growing recognition of the potential impact of climate change on the long-term success of organizations.

This includes both the potential physical impacts of climate change (e.g., global temperature rise, rising sea levels, increased extreme weather), and the impacts of the transition to a low-carbon global economy (e.g., emissions regulations, carbon pricing, and technological developments). Sensient defines, for the purposes of risk assessment, short-term as a period from zero to two years, medium-term as a period from two to 10 years, and long-term as a period from 10 to 30 years.

Although climate-related risks exist, none were identified to have a substantive financial or strategic impact on our business. We define 'substantive financial impact' when identifying or assessing climate-related risks and opportunities in both our direct operations and supply chain as any change that would significantly affect our business, operations, revenue, or expenditures. For example, a significant physical risk such as a change in precipitation patterns could result in price volatility and supply shortages. However, our Company works with purchasers to develop various sourcing strategies to avoid this risk.

We will continue to monitor potential risks and opportunities on an ongoing basis and will update our conclusions as appropriate.

## Identified Risks

### CURRENT REGULATION

Current regulations can affect costs in our operations and supply chain. Legal and regulatory compliance is a key part of our Code of Conduct, as we cannot operate if we do not comply with all applicable laws.

### EMERGING REGULATION

Our Corporate Legal Team as well as our Quality and Regulatory Teams continually monitor emerging regulations at the international, federal, state, and local levels to understand the possible future implications for our costs and ability to operate. Our Legal Team follows emerging regulations relating to ESG disclosures to ensure we are prepared to comply if mandatory disclosures were to go into effect.

### LEGAL

As ESG and climate-related disclosures continue to evolve, our Legal Team is constantly tracking regulatory changes to ensure that we are prepared to make all required disclosures, comply with all applicable regulations, and manage related outside litigation risks. Our Legal Team also works with outside ESG and Securities counsel on these matters.

### MARKET

Sensient operates in a complex and diverse supply chain. Therefore, climate change has the potential to increase our risk to market disruptions. Our success depends, in large part, upon our ability to identify and analyze market trends affecting our business and to anticipate and respond in a timely manner to changing trends and customer demands in order to maintain and attract customers. Any adverse disruptions to the markets we operate in could adversely affect consumer demand. Our marketing teams use internal and external consumer insights to evaluate a wide variety of risks in order to predict and stay ahead of market trends and disruptions.

### REPUTATION

Integrity is the cornerstone of our Code of Conduct, which is the foundation of our strategy. Our reputation is a key part of our value proposition, and for that reason, we include climate-related risks in our overall business strategy. We regularly engage with our customers and investors regarding our environmental impact and how we integrate climate-related risks into our business and overall strategy. We know that if we fail to maintain integrity and transparency in our product and process sustainability claims, we will lose trust with our customers.

### ACUTE PHYSICAL

Any event, including climate change, that causes disruptions or delays in our production or our supply chain could increase costs and reduce revenue. Given our reliance upon botanical and agricultural raw materials, we must remain acutely aware of physical threats to our raw material sources, which directly impact our production capabilities. Our natural colors, flavors, extracts, and essential oils businesses are dependent on favorable climatic conditions and the non-occurrence of natural disasters. For example, our Natural Ingredients business has significant operations in California, which has been dealing with drought conditions and water supply issues. Harvests for onion were adversely impacted in 2022 by both drought and flooding, resulting in reduced availability of our onion products. In addition, while we have manufacturing facilities throughout the world, some facilities are the sole manufacturer of a specific product. An acute physical event that causes disruption in manufacturing could lead to increased costs of relocating or replacing the production of a product, or reformulating a product, which could have an adverse effect on our results.

### CHRONIC PHYSICAL

It is imperative that we continually identify long-term climate-related risks to our business and respond accordingly. In addition to managing physical threats to the sourcing of our raw materials, we must also take into account capital expenditure planning. As many capital projects are medium to long-term projects, we must take into account chronic climate-related risks. For example, when looking to upgrade or change our production processes, design approaches, or agricultural practices through a capital investment, we take into account how these changes influence our resilience to chronic climate-related risks such as sustained higher temperatures.

### CUSTOMER/INVESTOR BEHAVIOR

Many of our large, global customers are committing to long-term targets to reduce greenhouse gas emissions within their supply chains. If we are unable to achieve these reductions, our customers may seek out alternative suppliers that are better able to support such reductions. In addition, implementing improved sustainability efforts could be costly. Even where we make progress, our ESG practices still may not meet the standards of all of our stakeholders, which could result in harm to our business and reputation, a decline in profit and revenue, and a negative impact on the trading price of our common stock.

## Identified Opportunities

We are taking action to address our climate change risks in line with the output from our risk identification processes as well as benefiting from any opportunities these changes could present across our value chain. As Sensient is committed to improving the environment for future generations, climate and sustainability issues influence our business strategy and financial planning.

### PUBLIC INTEREST

The heightened public interest in improving energy efficiency, reducing water usage and carbon emissions, and the use of sustainable agricultural practices provides opportunities for Sensient to factor climate and sustainability into all our operations and products, resulting in improved reputation and increased efficiency.

### EMERGING TECHNOLOGY

We will source as much power from sustainable sources as is financially and physically feasible. We believe the business will be most secure during this transition if we are actively searching for new ways to be more sustainable while maintaining strong financial performance. This will be an iterative and incremental approach. We will seek out market advantages as we implement our Sustainability Strategy. One advantage is reputational benefit, which could lead to growth in our business and more attractive opportunities for potential talent. Other advantages are the reduction in resource use, the reduction in waste, and energy and operational efficiencies, all of which will provide cost savings.

### FINANCIAL INCENTIVES

We are monitoring governmental and service provider incentives to encourage sustainability-driven upgrades and advancements at each of our locations. We are also exploring similar rebates offered by service providers that reward efficiency or reduce electricity or fuel use.

### INTEGRATED VALUE CHAIN

Unlike many decarbonization challenges, the supply chain is not simply a matter of technology, financing, and other technical issues; it is a matter of relationships. Building partnerships with our suppliers potentially allows us to reduce our upstream emissions while presenting us with new business opportunities within our value chain. In 2021, we began engaging with our suppliers on climate-related issues to better understand their environmental footprint and overall ESG performance. These initial forms of engagement signal the beginning of increased collaboration and expectations within our value chain. Further, we have partnered with, and continue to seek partnership with, customers along our value chain to collaborate on environmental projects such as efficient farming practices and innovative technologies that create shared value.

### EMERGING REGULATION

Each new regulation implemented adds compliance costs (often enormous) to the Company, but as we work to comply with emerging regulation across the globe, we have the potential to position ourselves as a more attractive and more compliant supplier for customers in those markets. For example, as an international public company, we are subject to many proposed regulations that would be costly to comply with but also would provide transparency to our customers, as they too will need to comply.

## Impact on Financial Planning

Climate-related risks and opportunities influence our financial planning each fiscal year in the areas of operating costs, capital expenditures, acquisitions, and access to capital. For example, when considering operating costs during financial planning, we closely monitor and evaluate globally the price of energy in order to determine which Sensient manufacturing facilities could be affected. In addition, when evaluating capital projects, we consider the sustainability-related benefits of proposed projects in our decision-making process. Starting in 2021, each capital appropriation request must include the quantified net impact of the project in terms of waste generation, water efficiency, electricity usage, and fuel usage. This updated process allows us to better track our capital expenditures from an environmental perspective while also prioritizing more sustainable projects over others.

Although the urgency to reduce emissions is clear, as explained above there are internal and external barriers, some of which fall outside the realm of our direct control. Diverging from the approaches of other companies within this industry, our decarbonization priorities rely on direct reductions of our Scope 1 and Scope 2 emission rather than purchasing car-

bon credits, entering into virtual power purchase agreements (VPPAs), or other indirect offsetting. We remain committed to being as transparent and purposeful as possible.

As explained, the actions we can take to address our current Scope 1 emissions are contingent upon not only the availability in the market of technologies that reduce or eliminate carbon emissions but also the cost of those technologies. Other than our purchasing decisions when we have options to purchase renewable energy, we have limited ability to change the electrical grids from which we draw power. This power source constitutes the vast majority of our Scope 2 emissions. As with the technologies needed to reduce our Scope 1 emissions, the actions we take to reduce our Scope 2 emissions will also have financial consequences. For us to adopt a new technology, or install a renewable energy source for electricity generation, there must be a business case for that change. Of course, the imposition of a carbon tax would alter the dynamics of that business case by changing existing costs.

As discussed in our 10-K, any event causing a disruption or delay of imports from foreign vendors, our contracted farmers, or our production

facilities could increase the cost, reduce the supply of needed raw materials available to us, or result in excess inventory if merchandise is received after the planned or appropriate selling season. This would interrupt our business or negatively impact our customers, both of which could adversely affect our business, financial condition, and operating results.

Also, as discussed in our 10-K, compliance with regulations is costly. The more regulations, the more cost. The more cost, the more expensive our products become, potentially making them less competitive and reducing the Company's profitability and ability to return capital to our shareholders.

Our decarbonization priorities rely on direct reductions of our Scope 1 and Scope 2 emission rather than purchasing offsets.



## CLIMATE-RELATED STRATEGY

### Impact on Strategy

As explained in *Our Commitment to Sustainability*, Sensient has integrated our Sustainability Strategy and underlying materiality assessment into our decision-making process. This strategy, approved by the Nominating and Governance Committee, further influences the business strategies implemented across our corporate structure and is incorporated into the larger risk management framework of the Company.

Our materiality assessment drives the prioritization of our decisions, and the Sustainability Strategy capitalizes on our ambitions.

The Sustainability Strategy now includes five pillars:

1. **Reduce greenhouse gas emissions**
2. **Increase water efficiency**
3. **Reduce waste**
4. **Build a more sustainable supply chain**
5. **Design more sustainable products**

Each of these pillars includes strategic initiatives that we will pursue to help us reach our sustainability targets and goals.

### Impact on Business

Climate change has the potential to impact our brands in different ways depending on the raw materials used in the production of our products and their end use. Consistent with Pillar 5 of our Sustainability Strategy, we are developing product innovations with lower environmental impacts across the value chain. Our response to climate change has been guided by a review of the areas where we can have the biggest impact on mitigating climate risk or benefiting from climate opportunity. Some highlights include:

- **Our Personal Care** business utilizes an innovation platform dedicated to the creation of not only natural – but also biodegradable and renewable – products, meeting consumer demands for sustainable and clean-label offerings.
- **Our Food Colors** business continues to operate in a vertically integrated supply chain for natural colors, allowing for full transparency down to the farm level. Our close involvement with each farmer allows us to ensure that regenerative farming methods are used.
- **Our Natural Ingredients** business continues to demonstrate sustainable farming practices such as water reuse, drip irrigation, and upcycling our process waste as crop nutrients.
- **Our Flavors** business, in parallel with our Food Colors business, continues to expand its ‘clean label’ library of products. Products with a cleaner label and familiar ingredients are often seen as more premium. Sensient continues to develop numerous clean-label products and alternatives to synthetic products, including plant-based protein solutions, palm-free natural flavors, and dairy-free products.
- **Our BioNutrient** business reaps the benefits of implementing a circular economy through the upcycling of its waste streams, thereby decreasing waste generation and carbon emissions.
- **Our Natural Extracts** business works to decrease the Company’s carbon emissions by utilizing clean extractions with our patented technology, PhytoClean®.



### Climate Scenario Planning

Sensient is reasonably well-equipped to plan for and respond to climate-related scenarios, reflecting the resiliency of our Sustainability Strategy and the proactive efforts of our Sustainability Steering Committee. We seek to be well-prepared to adapt to possible disruptions caused by climate change or government regulation imposed with the intent of addressing climate change, and we will accomplish this through consistent attention to climate-related developments. Each month, the Sustainability Steering Committee meets to discuss these developments and decide next steps in line with the Board-approved strategy.

# Where We Will Go In 2023 & Beyond

Our Sustainability Strategy was born of our internal attempts to tackle what we see as the key issues confronting the Company.

First and foremost, we believe the Company needs to reduce our Scope 1 and Scope 2 emissions. As we see it, the only way to actually reduce the amount of GHG in the atmosphere is to reduce what we are actually putting into it. Because we have chosen to focus on this approach, we have made the decision - for now - to avoid purchasing offsets or participating in more remote efforts such as VPPAs. In a world of limited resources, we are spending our resources to work on our own Scope 1 and Scope 2 emissions.

# Reduce Scope 1 Emissions

In focusing on reducing our Scope 1 emissions, we performed an assessment and determined that roughly 85% of our annual Scope 1 emissions come from stationary combustion, which is largely from our industrial, natural gas powered dryers. Dryers are used throughout our manufacturing plants to convert our products from liquid to powdered products, or in the case of our Natural Ingredients business, to dehydrate garlic, onion, capsicums, and other vegetable products. Our customers demand these dry products for their applications and transporting liquid products is significantly more costly and carbon intensive. Consequently, to actually reduce our Scope 1 emissions, we need to address our dryers.

**Scope 1 emissions: Direct emissions from owned or controlled sources (per the GHG Protocol)**



## Increase Equipment Efficiencies and Production Efficiencies

The best short-term strategy to reduce our greenhouse gas emissions incorporates a mix of equipment and production efficiency improvements. In 2023, we will continue to work to improve the efficiency of our dryers, to rationalize our production processes, and, in some cases, to redesign our products, all to reduce the usage of dryers and thereby reduce our Scope 1 emissions. We are also exploring a regulatory change that could help our efforts. Currently (as discussed elsewhere), all of the synthetic colors we manufacture for use in food or pharmaceutical applications in the U.S. need to be certified by the FDA. The existing regulations require us to dry all of these colors before submitting them to the FDA. In many cases, after the FDA certifies the colors, we re-liquefy them for use in our customers' applications. If the FDA would instead certify liquid samples, we think we could achieve significant reductions in our Scope 1 and Scope 2 emissions at our St. Louis Color facility. However, changing federal regulations is a long and uncertain process.

We are not precisely sure how much we will be able to reduce our Scope 1 emissions as a result of the efforts described above. We would hope to get at least a 30% reduction by 2030. However, we simply cannot say with any reasonable degree of certainty given the massive complexity of the problem.

## Electrify Natural Gas Powered Equipment

Most significantly, there is a limit to what we can do alone. Ultimately, we see two long-term solutions to the Scope 1 emissions of our dryers.

First, we could convert our natural gas powered equipment to electrical equipment. Today, however, there are not electric powered versions of most of the types of dryers we need. We will have to depend upon others to develop those electric models. Moreover, even if we could convert to electric dryers today, we would need roughly 50% more energy to power the electrical dryers and there is an insufficient amount of renewable power available in the markets in which we operate these dryers. There are also questions whether the existing power grid can sustainably handle the increased electrification that will come with the reduction in use of greenhouse gas generating fuels. Absent the availability of renewable power, we would increase our demand and, therefore, our cost for electricity (again, very roughly) anywhere from seven to ten times depending upon the market. This would be cost prohibitive and, absent renewable power, would simply shift our Scope 1 emissions to Scope 2 emissions. Moreover, we have yet to find an electric dryer that meets the qualifications to be used in our processes. We are exploring power purchase agreements (PPAs) to gain access to sustainably sourced electricity as well as assessing whether we could develop our own renewable source of energy, such as a solar array field or wind turbines.

## Utilize Carbon Capture Technology

Our second long-term solution for our dryers involves utilizing point of emission carbon capture technology. Unfortunately, as of this writing, such technology remains largely unavailable. And, again, we must depend upon others to develop and perfect this technology in a commercially feasible form.

# Reduce Scope 2 Emissions



Scope 2 emissions:  
Indirect emissions  
from the generation  
of purchased energy  
(per the GHG Protocol)

## Procure Renewable Energy from the Grid

As previously mentioned, the availability of renewable sources of electrical energy is a major constraint as we try to reduce our Scope 2 emissions. Without a reliable electrical grid sourced primarily through renewables, a future in which we achieve zero CO<sub>2</sub> emissions is not achievable. The paradox is that although electrifying our production equipment may reduce our Scope 1 emissions, so long as fossil fuels power the electrical grid, electrification will effectively increase our Scope 2 emissions. We will continue to monitor for opportunities to source electricity and natural gas from more renewable sources.

For our North American facilities, we have partnered with an energy consultant that works closely with each utility company in the areas in which we operate to identify all renewable energy programs and opportunities. Given the increase in demand for procuring renewable energy from the grid, there are some challenges in accessing direct renewable energy at a commercially reasonable cost. Until the grid matures to source more renewable energy, we remain limited in our options at certain locations.

## Install On-Site Renewable or Engage in PPAs

Several key Sensient manufacturing facilities are procuring 100% renewable energy, and we are actively working to grow this list. As mentioned, many of our locations lack feasible renewable options. In those particular locations, we have been working with multiple micro-grid companies and PPA developers to better understand the potential emissions reductions and cost implications of installing on-site solar or engaging in a PPA.



# Reduce Scope 3 Emissions



Scope 3 emissions: All indirect emissions not included in Scope 2 that occur in the value chain, both upstream and downstream (per the GHG Protocol)

## Conduct a Robust Scope 3 Baseline Assessment

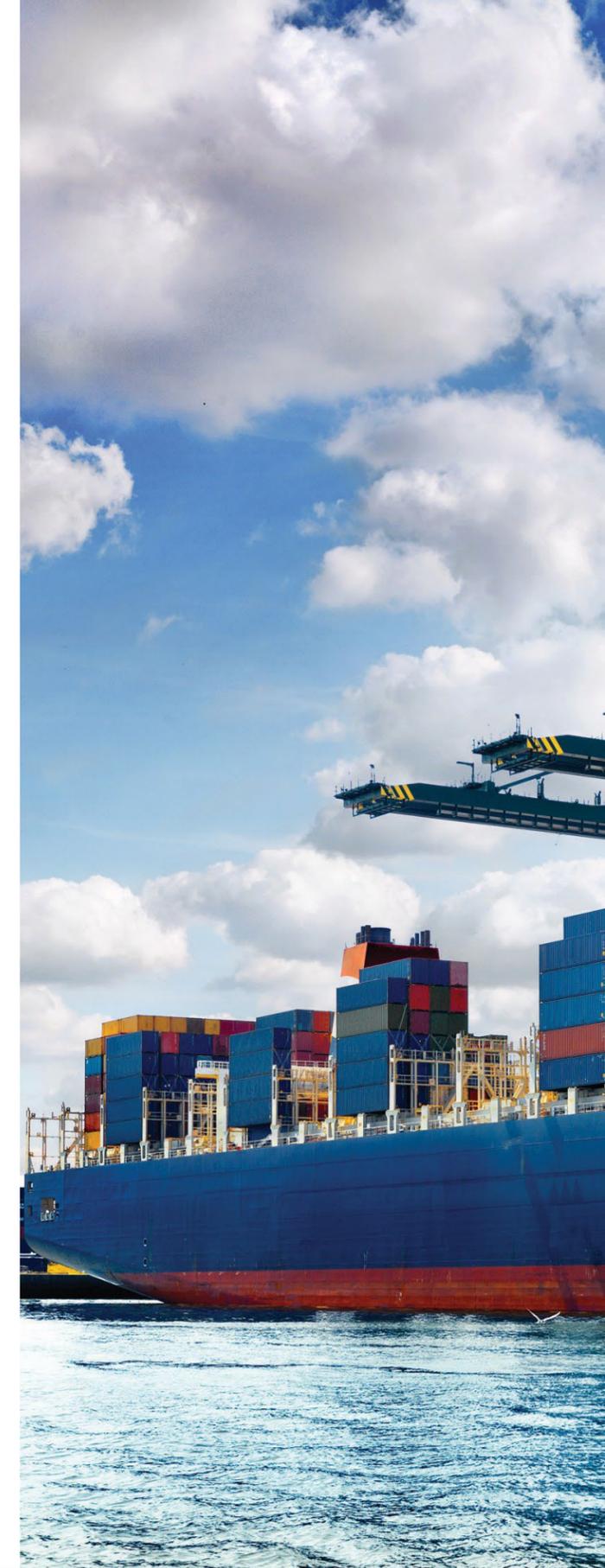
We have not yet set Scope 3 requirements as we have no established baseline. At this time, we do not believe that the current methodologies used to calculate Scope 3 emissions utilize the accuracy and rigor required to be included in our publicly reported data. We will continue to evaluate methodologies for calculating Scope 3 emissions with a view toward establishing a baseline in the years to come or as required by applicable law. In 2023, we will endeavor to select and begin implementing a commercially and legally acceptable methodology.

## Engage our Supply Chain

This year we began engaging with our suppliers on ESG-related topics to better understand their environmental footprint and where they are in their sustainability journey, and the level of disclosures we expect from our suppliers will continue to grow. As we continue to expand our engagement activities, we will work in collaboration with our key suppliers to reduce emissions throughout our value chain. Because our supply chain is enormous and our suppliers range from sophisticated multinationals to small scale farmers in remote regions of the world, this is a very steep climb. We will continue attempting to go about this effort methodically and sensibly.

## Source our Ingredients Sustainably

We will partner with growers to improve soil health, agroforestry, and shade management as well as to prevent and remediate land use change and deforestation. We will also work with growers to improve soil health in order to enhance our ability to pull carbon out of the atmosphere and store it underground where it can restore nutrients and feed an array of biology and life. Improving soil health is important to our decarbonization efforts because up to one-third of greenhouse gas emissions stem from the food system. An estimated 80% of these emissions come from agriculture.



# Reduce Emissions through Product Design



Our ambitions require innovation

## Retool our R&D program to incentivize the reduction of waste generation, water usage, and energy demand through product design.

In alignment with our Pillar 5 target, we are working to integrate sustainable product design elements into the first stages of product design. Our technical departments work with our production facilities and sourcing experts to develop smart solutions, such as (1) upcycling options for commonly used raw materials, (2) alternatives for controversial ingredients such as titanium dioxide, (3) product designs that replace imported ingredients with local ones to reduce transportation emissions, (4) and more in-process innovations.

## Transition to low-carbon products

We will continue to innovate our product offerings and develop quantified product carbon scores. Examples of our current low-carbon products include BloomGenix®, high-pigment crops, and plant-based products.

When applied to a crop, Sensient's BloomGenix improves the uptake of nutrients into the plant, thereby reducing the crop's resource requirements and generating a smaller carbon footprint. Further, the higher nutrient-use efficiencies help farmers reduce their use of synthetic nitrogen-based fertilizers and harvest a higher quality yield.

Our scientists develop seeds to maximize the pigment content of crops and minimize the amount of resources they will need to grow. The best example of our high-pigment crops is our black carrot, which boasts an impressive amount of color (in this case, anthocyanin content) per area of ground cultivated. This means it takes less cultivated ground, less water, less energy, and overall less resources to make a color product derived from our high-pigment crops.

Sensient works with plant-based meat companies to optimize protein production through fermentation, which helps them increase the availability of a more sustainable protein source as compared to animal protein sources. Our role is to develop ingredients that improve the efficiency and throughput of the fermentation process, resulting in reduced energy use and reduced greenhouse gas emissions.

While we aspire to significantly reduce our emissions in the years to come, we cannot guarantee we can reach goals where our ability to reach those goals is completely contingent upon developments that are outside our control.

# Climate-Related Metrics & Targets

## CLIMATE-RELATED METRICS AND TARGETS

### Metrics

As previously noted, with the preparation of this 2022 Sustainability Report, Sensient has endeavored to prepare our disclosures in line with the SASB standard for Chemicals.

Last year, we introduced our first sustainability-related performance metrics into our compensation incentive structure for leadership. The Compensation and Development Committee introduced a waste-reduction management incentive program for key business leadership to incentivize Sensient leadership to optimize resource use and implement circular design principles.

Additionally, Sensient plans to evaluate whether and how to establish an “internal price,” or an internal monetary value useful for rendering investment decisions, on carbon. An internal price on carbon could be a tool utilized by the Company to better meet the Company’s sustainability targets, gain a competitive advantage, and ensure longevity and prosperity in our business.

### Greenhouse Gas Emissions

During 2022, Sensient directly emitted approximately 149,000 metric tons of CO<sub>2</sub>e (Scope 1 emissions). Sensient indirectly emitted a further 61,000 metric tons of CO<sub>2</sub>e (Scope 2 emissions), primarily through purchased electricity. Total emissions (Scope 1 and Scope 2) in 2022 were approximately 210,000 metric tons CO<sub>2</sub>e. Our emissions calculations for 2022 were conducted with the help of a third party service provider. Our service provider analyzed the utility invoices for our manufacturing facilities to quantify the total fuel and electricity consumption for each location and then applied industry-accepted greenhouse gas emission factors to calculate our Scope 1 and Scope 2 emissions associated with our manufacturing footprint. We will continue to refine and automate our data collection and emissions calculations methodologies.

### SASB Disclosures

This is the third year that Sensient has endeavored to disclose under the SASB standards. SASB standards were created to enable communication on corporate performance on industry level sustainability issues in a cost-effective and decision-useful manner using existing disclosure and reporting mechanisms.

The attached Appendix details how Sensient responds to each of the topics included in SASB’s Chemical industry standard, which is the standard assigned to Sensient by SASB’s Sustainable Industry Classification System. We do not claim to fulfill all of the SASB disclosure topics, but we will continue to evaluate each requirement and may augment our disclosures in the future.

<sup>6</sup>“GREENHOUSE GAS EMISSIONS,” OUR WORLD IN DATA, [HTTPS://OURWORLDINDATA.ORG/GREENHOUSE-GAS-EMISSIONS](https://ourworldindata.org/greenhouse-gas-emissions), ACCESSED 23 AUGUST 21.

# Sustainability Accounting Standards Board (SASB) Table

This report marks the third year that Sensient has disclosed under the Sustainability Accounting Standards Board (SASB) standards. The table that follows contains SASB's topics for the Chemicals industry standard, along with a description of Sensient's response for each topic.<sup>1</sup> As this is only our third year reporting, we do not fulfill the disclosures for all topics this year, but we will continue to evaluate for the future and our disclosures may evolve over time. Also, some responses may not fully align with individual SASB metric guidance, but represent the data we have that are most closely aligned with each metric.

<sup>1</sup>Unless otherwise noted, responses include best available data from all Company-operated manufacturing facilities.

<sup>2</sup>As of the publication of this report, greenhouse gas emission data have not undergone third-party assurance review.

<sup>3</sup>We estimate total water consumed by subtracting the total volume of discharged industrial wastewater and cooling water from the total volume of water withdrawn.

<sup>4</sup>For purposes of calculating TRIR, we estimated global hours worked by using our average global headcount for the year and assuming 2,000 worked hours per person.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) TABLE

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
Greenhouse Gas Emissions	Gross global Scope 1 emissions and the percentage covered under emissions-limiting regulations	RT-CH-110a.1	Gross global Scope 1 emissions: Approximately 149,000 metric tons of carbon dioxide equivalents (CO <sub>2</sub> e).  Percentage of our gross global Scope 1 emissions covered under emissions-limiting regulations: Approximately 31%.  Scope 1 emissions are defined and calculated according to the methodology contained in the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)</i> using accepted emissions factors and engineering estimates as appropriate. The organizational boundaries for this report include our global manufacturing facilities. Our gross global Scope 1 emissions calculations reflect all gases covered under the Kyoto Protocol. Emissions of all greenhouse gases are consolidated and disclosed in CO <sub>2</sub> e using 100-year time horizon global warming potential (GWP) values published by the <i>Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014)</i> . <sup>2</sup>
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	See section on <i>Pillar 1: Decarbonization</i> and section on <i>Climate-Related Risks &amp; Opportunities</i> .
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	While our facilities are subject to applicable air quality regulations, due to differences in applicable regulations and to avoid inconsistency, at this time we do not calculate this metric at a Company-wide level.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	(1) Total energy consumed: Approximately 2,970,000 GJ. (2) Percentage grid electricity: Approximately 16%. (3) Percentage renewable: Approximately 1%. (based on information provided by our electrical providers). (4) Total self-generated energy: Approximately 750 GJ.  See also section on <i>Pillar 1: Decarbonization</i> .
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-104a.1	(1) Total water withdrawn: Approximately 3,800,000 cubic meters (33% from regions with High or Extremely High Baseline Water Stress). (2) Total water consumed: Approximately 627,000 cubic meters (38% from regions with High or Extremely High Baseline Water Stress). <sup>3</sup>
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	We did not have any significant incidents of noncompliance associated with water quality permits, standards, or regulations in 2022.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	See section on <i>Pillar 2: Water Stewardship</i> .
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Amount of hazardous waste generated: Approximately 850 metric tons.  Most of our hazardous waste is either incinerated for energy recovery or recycled. Due to differences in how hazardous waste recycling is defined in the jurisdictions where the waste is generated and to avoid inconsistency, at this time we do not calculate this metric at a Company-wide level.
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	See sections on <i>Philanthropy and Community Service</i> and <i>Pillar 4: Sustainable Supply Chain ("Social Responsibility and Human Rights Policy")</i> .
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	(1) TRIR: 2.2 <sup>4</sup> (2)(a) Direct employee fatality rate: 0 (2)(b) Contractor fatality rate: 0
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	See section on <i>Employee Health and Safety</i> .

**SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) TABLE**

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	At this time, we do not track this metric. Sensient is dedicated to driving sustainable innovation and implementing circular design principles, such as the upcycling of byproducts into our products and processes, whenever possible.  See sections on <i>Pillar 3: Waste Reduction</i> and <i>Pillar 5: Sustainable Product Design</i> for more information.
Safety & Environmental Stewardship of Chemicals	(1) Percentages of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	At this time, we do not disclose the percentage of products that contain substances that have been classified as GHS Category 1 or Category 2 Health and Environmental Hazardous Substances. All Sensient products are evaluated for hazards and assigned hazard classifications as required by law.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	See section on <i>Chemical Risk Strategy</i> .
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs).	RT-CH-410c.1	Sensient does not source raw materials containing GMOs in Europe. However, in other regions we source certain raw materials that may contain GMOs, such as raw materials derived from corn or soy. We disclose presence of GMOs in our products as required by law.
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Sensient anticipates both risks and opportunities related to environmental regulation and rule making at the state and federal level. Carbon-pricing regulations, laws reducing Scope 1 Emissions, fuel efficiency standard adjustments, and increased hazardous waste disposal protocols all pose potential risks to the Company as compliance costs may increase. International treaties regarding the environment or the various environmental laws in the countries in which Sensient operates could also impact the Company's operations as such actions could reduce the Company's financial incentives to continue certain operations if costs to comply increase too dramatically. In addition, changes to the tax code or labor and employment laws could increase compliance costs. Finally, non-compliance or accidental improper implementation of laws could cause reputational harm.  Notably, opportunities can also arise from environmental regulations. New tax incentives or deductions can help Sensient create economic value while also serving as a catalyst for environmental improvement. Complying with higher standards of environmental laws, or being a leader in the industry for finding creative solutions to combat climate change in its business, can significantly improve consumer opinions of the Company and increase profitability as societal emphasis on environmental matters is likely to keep growing.  Sensient is constantly evolving its business strategy to offset regulatory risks and receive benefits from environmental regulation. Sensient is not planning to change its business model or organization structure. However, it is investing in research and technology to minimize its exposure to any regulatory risks and maximize its profits. The global community as a whole is more focused on environmental matters, and Sensient recognizes the opportunity in that focus for Sensient to grow its business and continue being a leader.
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Sensient did not have any severity level 1 or 2 process safety incidents in 2022.
	Number of transport incidents	RT-CH-540a.2	Not applicable. We do not disclose this metric as we do not own or operate a transportation fleet to distribute our products.
Production by reportable segment		RT-CH-000.A	Not disclosed.

**EEO-1 Report**

EEO-1 Category	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
			Male						Female						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
<b>Executive or Senior Level Officials &amp; Mgrs</b>	0	0	18	1	0	2	0	0	5	1	0	0	0	0	27
<b>First or Mid-level Officials &amp; Mgrs</b>	28	13	189	4	0	17	0	7	90	2	0	6	0	2	358
<b>Professionals</b>	12	8	105	11	0	23	0	5	103	8	0	30	0	3	308
<b>Technicians</b>	1	5	12	2	0	1	0	4	34	4	0	2	0	3	68
<b>Sales Workers</b>	1	2	25	2	0	1	0	1	25	3	0	2	0	1	63
<b>Administrative Support Workers</b>	3	14	18	3	0	0	0	4	47	8	0	3	0	4	104
<b>Craft Workers</b>	9		44	1	0	1	0	1	0	0	0	0	0	0	56
<b>Operatives</b>	61	11	206	99	2	10	0	6	11	14	0	2	0	0	422
<b>Laborers &amp; Helpers</b>	78	91	134	16	1	7	0	8	31	3	1	5	0	2	377
<b>Service workers</b>	0	0	11	1	0	0	0	0	3	0	0	0	0	0	15
<b>Total</b>	<b>193</b>	<b>144</b>	<b>762</b>	<b>140</b>	<b>3</b>	<b>62</b>	<b>0</b>	<b>36</b>	<b>349</b>	<b>43</b>	<b>1</b>	<b>50</b>	<b>0</b>	<b>15</b>	<b>1,798</b>

Date of Payroll Period: 12/15/2022 thru 12/31/2022.

\*This report is not certified and has not been finalized or filed with the U.S. EEOC; Sensient will complete and file a final 2022 EEO-1 report when the EEOC begins collecting the information, anticipated in April 2023.

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