

elcome to Sensient Technologies Corporation's 2021 Sustainability Report. This report highlights Sensient's actions related to environmental, social, and governance (ESG) issues including ethical behavior, responsible corporate citizenship, legal compliance, product and employee safety, environmental stewardship, corporate governance, equal opportunity/nondiscrimination, human capital management, and climate change.

Last year reminded me how fortunate I am to be a part of a company that embodies the saying, "When the going gets tough, the tough get going." For the second year in a row, Sensient employees rallied together for the sake of our customers to keep them stocked with safe, highquality food, pharmaceutical, and personal care products in the midst of a pandemic. While we remained hopeful for a more "normal" 2021, we can all acknowledge that this past year continued to be unpredictable and challenging. It has not been easy, and I am very proud of our employees for their perseverance over the last two years and their dedication to our mission to develop, produce, and supply critical food, pharmaceutical, and personal care ingredients to the world.

Through it all we have continued to abide by and hold ourselves accountable to our Code – our Corporate Creed – which distinguishes us from so many others in the world:

• We do not live in a post-truth world. We always operate with integrity and we always tell <u>the</u> 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 have a long-standing commitment to operating in a legal, ethical, and responsible manner with a strong emphasis on corporate responsibility and 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, for more than 30 years, our Board of Directors has been dedicated to considering the effects of its actions on shareholders and our employees, suppliers, customers, and the communities in which we operate. Stakeholder governance is something that has and will continue to be core to our practices.

This is our seventh annual report. As you will hopefully agree, we have a strong – and long – history of promoting sustainability and corporate responsibility in a variety of forms. This report provides both a summary of our recent efforts and a view of where we hope to be in the future. I am proud of the strong strides we have made the last few years to further integrate



sustainability-related concepts into our overall these products can drive real improvements in our business strategy and governance structure. For environment. I am also proud of our efforts over the second year, our disclosures are in line with the the last nine years to rationalize our manufacturing SASB Standards for the Chemical Industry. In 2021, footprint and product portfolio, which has resulted in our Board of Directors approved our new Corporate the sale or closure of 17 production sites and a stronger Sustainability Strategy as well as a revised Supplier focus and drive toward producing more sustainable Code of Conduct. We formed a Sustainability products. These efforts have greatly reduced our Steering Committee comprised of senior leaders greenhouse gas emissions, energy usage, water usage, and waste generation and given us a more sustainable from across the Company to help execute our ambitious strategy, and we are continuing to build and profitable company. out our sustainability team.

We are continually innovating to provide our customers with products that are not only safe and superior in technical performance but that also allow our suppliers and customers to reduce their own environmental impacts. We believe that In 2015, we set a 10-year energy reduction target of 15%. As of 2020, we surpassed that target five years ahead of schedule. I would be remiss, however, if I did not address the challenges we face in our efforts to reduce our greenhouse gas emissions over the long term. Our success will depend upon our own efforts but also on many developments that are beyond our control. As detailed in this year's report, to reduce our greenhouse gas emissions (as opposed to purchasing offsets), we are working to improve the efficiency of our gaspowered dryers, to rationalize our production processes, and, in some cases, to redesign our products. But there is a limit to what we can do alone. For example, we depend upon others to develop a renewably sourced power grid, to design electric dryers that meet our process needs, and to create commercially and financially viable 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 will endeavor to be careful to communicate when our ability to reach our goals may be contingent upon developments that are outside our control.

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

Our ultimate goal is to actually reduce our greenhouse gas emissions as much as – and as quickly as – economically feasible, without relying on offsets, or simply moving production. It may seem simple, but it is our view that reducing our own emissions is the best way for us to help tackle the problem of excess greenhouse gas emissions in the earth's atmosphere.

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

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Paul Manning Chairman, President and Chief Executive Officer







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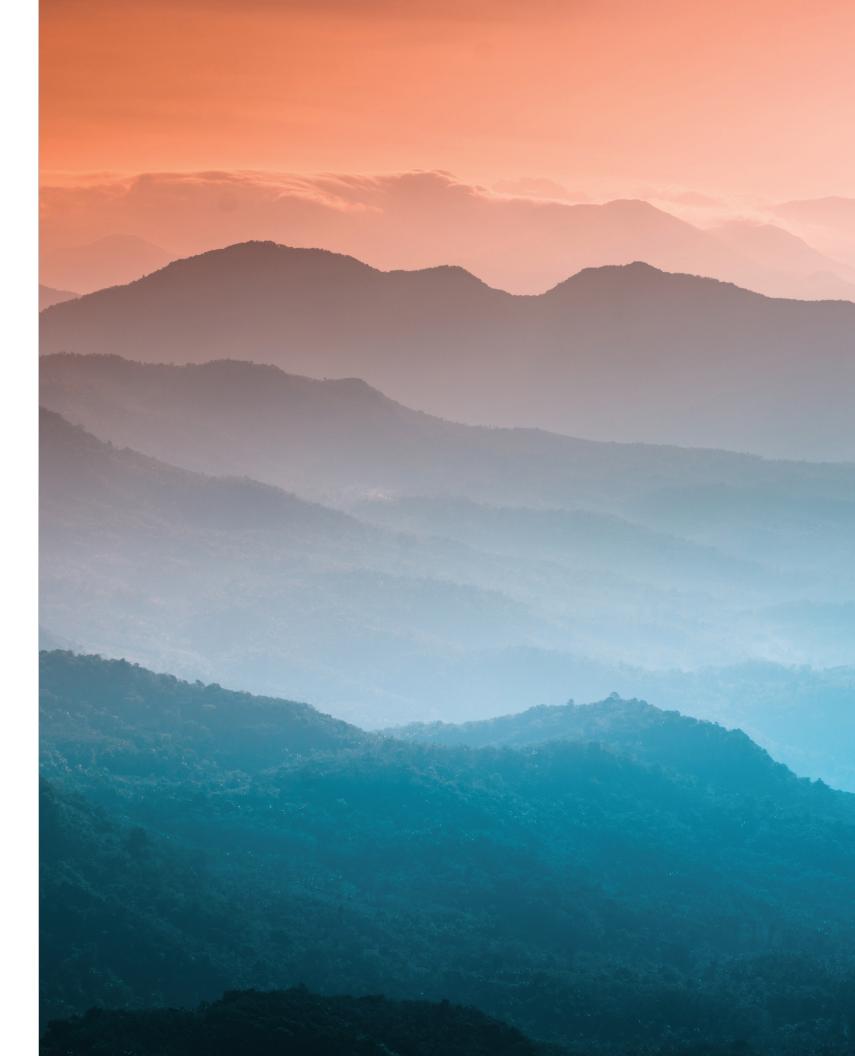
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ABOUT THIS REPORT

Sensient Technologies Corporation's 2021 Sustainability Report documents Sensient's ESG performance from January 1, 2021 through December 31, 2021, 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, 2021. 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.



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OUR BUSINESS

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. As we like to say,

"We bring life to products."

We support our customers by providing them solutions to offer multi-sensorial experiences to drive brand excitement, customer satisfaction, and increase sales. Our color, flavor, and specialty ingredients can be found in leading consumer products worldwide.



What we do

OUR BUSINESS

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 unmatched innovation and applications expertise into the market, our Color Group stands apart from the rest.

Core Areas of Focus: Food and Pharmaceutical Colors and Personal Care.

FLAVORS & EXTRACTS GROUP

The Sensient Flavors & Extracts Group offers a broad range of products with a unique ability to service global, regional, and local customers. With unmatched applications expertise and leading technology platforms, Sensient Flavors & Extracts is an innovative leading supplier for all things Food and Beverage.

Ingredients.



ASIA PACIFIC GROUP

Sensient's sales of flavors and colors for Food and Pharmaceutical 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.





140 years of growth and innovation



Nearly 4,000 employees serving customers in more than 150 nations



\$34.3 Million allocated toward R&D in 2021



More than \$750,000 donated in 2021 through the Sensient Foundation

Core Areas of Focus: Flavors and Extracts, Natural Ingredients, and Other Flavor

OUR CULTURE

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

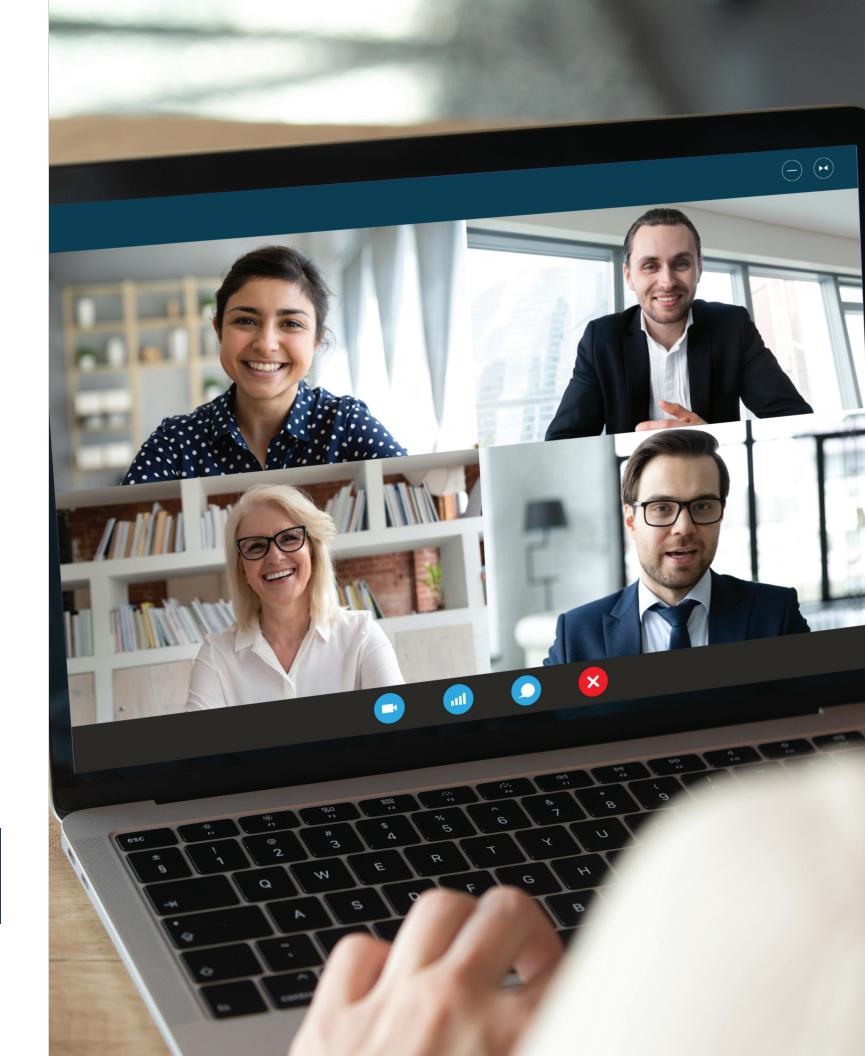
We are absolutely and passionately committed to producing safe and quality products made in accordance with the highest manufacturing standards. Our workers and facilities must meet or exceed all environmental, health, and safety standards. We work diligently to ensure the physical security of all of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

These principles are the driving force behind our culture and the foundation of everything we do.



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OUR COMMITMENT TO SUSTAINABILITY

Sensient has a strong record of environmental with practical, attainable goals and milestones that compliance and our products generally have will sustain the growth and profitability of a low environmental impact. However, the the business. environmentally friendly nature of our products and our compliance record will not be enough to meet We will strive to meet our commitments through future sustainability requirements. To attempt to thoughtful action. We owe this to our investors, our meet the global vision of net-zero carbon emissions customers, our employees, and the communities by 2050, among other environmental initiatives in which we operate. We will also endeavor to be embraced by many of our stakeholders, Sensient publicly transparent about our environmental proactively developed a new Sustainability Strategy sustainability goals and associated progress.

CORPORATE SUSTAINABILITY STRATEGY

1. DECARBONIZATION

Reduce consumption of nonrenewable energy and reduce emissions of greenhouse gases, with the objective of reaching zero carbon dioxide equivalent (CO2e) emissions by 2050.



To 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.

3. CIRCULAR **ECONOMY**

Reduce waste and apply the principles of a circular economy.

2. WATER **STEWARDSHIP**

Improve water efficiencies and decrease water consumption, prioritizing sites in highstress areas.

OUR VISION

4. SUSTAINABLE SUPPLY CHAIN

Build a sustainable supply chain that fully integrates ethical and environmentally responsible practices.



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 more cost effective, we will invest in energyefficient 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 electrical spray dryers and carbon capture technology. We will source as much power from sustainable sources as we believe is financially and physically feasible and prudent.

See <u>Our Environment</u> for more details on our strategic initiatives for energy, waste, and water.

See <u>Supplier Engagement</u> for more details on our strategic initiatives and goals for building a sustainable supply chain.

Materiality Assessment

In 2021, we conducted our first materiality assessment to identify our most relevant (or "material") reporting topics from an ESG perspective — which is a much broader standard than that used in our financial disclosures. 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. The inclusion of information in this report is not an indication that such information is necessarily material to investors or required to be disclosed in SEC filings. Where we have deemed an item or risk material to our financial disclosures, we have reported those items in our financial disclosures.

Through our materiality assessment, we identified topics that are significant to both our business and our stakeholders by reviewing the Sustainability Accounting Standards Board's (SASB's) 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 28 relevant ESG topics.

Based on surveys of our internal stakeholders and our external research, we prioritized the identified ESG topics as outlined in the chart above based

SENSIENT'S MATERIALITY MAP

PRIORITY	ENVIRONMENTAL	SOCIAL	GOVERNANCE	OTHER
HIGH	Energy Management and Efficiency Waste & Hazardous Waste Management Waste & Wastewater Management	Workforce Health and Safety Human Rights Human Capital Management	Risk and Security Management Cyber Security Business Ethics	Customer Satisfaction Product Innovation
MEDIUM	GHG Emissions Air Quality Chemical Management	Community Engagement & Employee Volunteering Child Labor/ Forced Labor Grants & Donations Diversity and Inclusion	Management of the Legal & Regulatory Enviornment Transparency	Evaluation of Supplier Sustainability Performance Circular Design Conflict Materials
EMERGING	Regenerative Agriculture Practices Environmental Management System			Certified Responsibility- Sourced Materials Biodiversity and Deforestaion Genetically Modified Organism

on their relative importance to our business and key stakeholders.

We use our materiality assessment findings to(TCFD). Ininform both the context of our annual SustainabilityassuranceReport and our Company-wide SustainabilityIn keepingStrategy, which is integrated into our overallIn keepingbusiness strategy.Sensient a

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, and Sustainalytics. For the first time this year, we also prepared Companywide responses to the Carbon Disclosure Project (CDP) Climate Change, Water, and Forestry questionnaires.





At Sensient, we pride ourselves on working to exceed industry standards for product quality, safety, and security. We utilize state-of-the-art quality control testing and we welcome open audits of our products and facilities. Our facilities hold certifications of compliance with various third-party standards, such as those from the International Organization for Standardization (ISO) and certifications issued under the umbrella of the Global Food Safety Initiative (GFSI), including Food Safety System Certification (FSSC) 22000, British Retail Consortium (BRC), and Safe Quality Food (SQF).

Sensient works hard to use only quality raw materials from strictly qualified sources. As discussed below, 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 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, 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

Approximately 80% of food color products launched globally today use natural colors or coloring foods. We anticipate that this market will continue to grow. 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 natural colors and coloring foods to our customers, who use our colors in the products they sell from the store shelf. This strategy enhances our ability to provide food and beverage manufacturers with better natural colors through our agronomy technology, quality and safety controls, and process engineering expertise. As consumers around the world continue to transition away from certain types of additives, including ingredients viewed as synthetic, it is even more critical for Sensient to provide innovation across the natural color value chain. Seed-to-Shelf comprises a number of ongoing initiatives to innovate across the value chain for natural and organic ingredients:



Improved 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

From the initial seed technology stage, our global agronomists have strong visibility across our entire supply chain. Supply chain traceability is not only crucial for governance and compliance purposes, it is also an increasingly macro consumer expectation, and Sensient's vertical integration creates high traceability. 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 the redundancy in place to ensure that our supply chains are secure so we can 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 customers.

Socially Responsible Procurement

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, crops without decreasing the available agricultural sustainable partnerships with our suppliers and local surface area used to grow food crops. communities around the world.

Our commitment to virtual integration and responsible sourcing also helps to build up farming communities, making them more stable, resilient, and prosperous. Sensient has initiated and supported numerous 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 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 increase farm production and farmer profitability per unit land area:

 We have joint projects with agricultural 0 cooperatives in several European, African, and o Improves overall soil health. Asian communities to evaluate the feasibility of growing certain secondary agricultural products in • We installed **drip irrigation** at our partner farms between the growth cycle of a traditional primary in Southeast Asia. Drip irrigation can reduce water consumption by over 90%, critical in droughtcrop, such as wheat, barley, or peas. In regions where typically only a single crop is harvested stricken areas. Some additional advantages include: per year, these projects provide the community an additional source of income during otherwise o Uses less energy and easy to install. Cheap, time-saving, and lowers labor cost. fallow periods while also helping to meet Sensient's 0 Minimizes fertilizer and nutrient loss. demand for agricultural raw materials. Importantly, by growing the secondary crop after the primary Reduces weeds and risk of diseases. 0 crop, the projects allow for the growth of the new o Reduces erosion.

- 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.
- We are also intercropping color plants in old and erosion-prone coconut plantations in the Philippines. This has several important sustainability benefits:
 - o Does not displace major food crops.
 - o Preserves biodiversity by not cutting down forests for farming space.
 - o Provides greater income yield per unit area for the farmer.
 - o Provides better pest and disease control insurance against crop failure.
 - Reduces erosion and weed control.



- In Southeast Asia, our farmers use solar dryers to natural colors. There is also a lack of agreement help reduce the environmental impact of drying regarding appropriate methods and standards for testing the purity of the natural colors despite the crops after harvest. fact that contaminants of various kinds can be found Our agronomists use traditional non-GMO in many of the raw materials used for natural colors. plant breeding techniques to produce superior As just one example, lead is commonly present in lowquality turmeric powders because a large amount crops with better color yield, better agronomic traits, and superior resistance to pests and of turmeric is grown in soil with a high lead content diseases, decreasing our reliance on chemicals in parts of China and India; this has led to several and reducing our environmental impact. All our companies in the U.S. conducting voluntary recalls of natural colors are GMO-free. products containing turmeric in recent years.
- 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.

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

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 our incoming natural raw materials are free from contaminants or adulterants like synthetic dyes or other additives that may be either intentionally or unintentionally present 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 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.

Personal Care

Our Personal Care business was rated "Platinum"

in 2021 by EcoVadis, the world's largest provider of business sustainability ratings, **placing us in the top 1% of all companies evaluated**. 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.

Sensient has an innovation platform 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 2021, we further invested in new lab equipment and research in order to boost the use of natural products.

Natpure[™] Sol Crystal is a great example of how we are driving the shift toward 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. Sensient's Personal Care business will continue to make a difference for our customers by focusing on sustainable ingredients that are **biobased**, **traceable**, and **biodiverse**.

Sensient Natural Ingredients

Sensient Natural Ingredients offers an expansive portfolio of agricultural products that takes sustainability to the next level. Our PhD plant breeders and research 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 California's prime agricultural growing region, Sensient Natural Ingredients partners with its network of local farmers and partnerships going back several generations to sustainably cultivate its garlic, onion, parsley, and capsicums while maintaining strict supply chain management and unparalleled traceability.

With control over each step of the process, SensientWe also utilize regenerative agriculture practiceutilizes decades of process knowledge to ensureincluding rotating diverse crops to help build resideal field selection, proprietary development of seedfarm ecosystems.varieties, and a customized planting and harvestingprocess. We operate specialized processing facilitiesprocess. We operate specialized processing facilitiesFinally, in response to the increasing demandto ensure the safety, stability, and sustainability of ourfor organic agricultural products grown in theproducts. Through our field representative program,U.S., we are proud to offer our organic-certified,we partner with our growers to share best practicesCalifornia-grown line of garlic, parsley, paprika,onion, chili pepper, ancho pepper, and jalapeñoonion, chili pepper, ancho pepper, and jalapeño

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 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.
- Our commitment to sustainability continues in our processing operations. We are constantly 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 sheds 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.

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

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 use clean technologies such as our patented water-based extraction, molecular distillation, carbon dioxide extraction, and extraction using other 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.



Hop Extracts

By using our hop extracts, brewers can minimize their processing time and extend the shelf life of their products while ensuring consistency in their desired flavor and taste profiles. And because our hops extracts are lighter to transport, require less handling, and generate less waste, they offer brewers a sustainable alternative to traditional processing.



Oak Extracts

This year, by reworking our process for making oak extracts, we reduced our use of solvents by 85%, reduced manufacturing time by over

two days, and eliminated all waste generated from the process.

BioNutrients

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. Through fermentation, our nutrients are used to produce many health and wellness products for human application, such as probiotics.







Viewed as safe, natural alternatives to chemically produced drugs, probiotics used in dietary supplements

experienced rising demand

HUMAN NUTRITION

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 plantbased meat companies to optimize protein production through fermentation, which helps

them 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

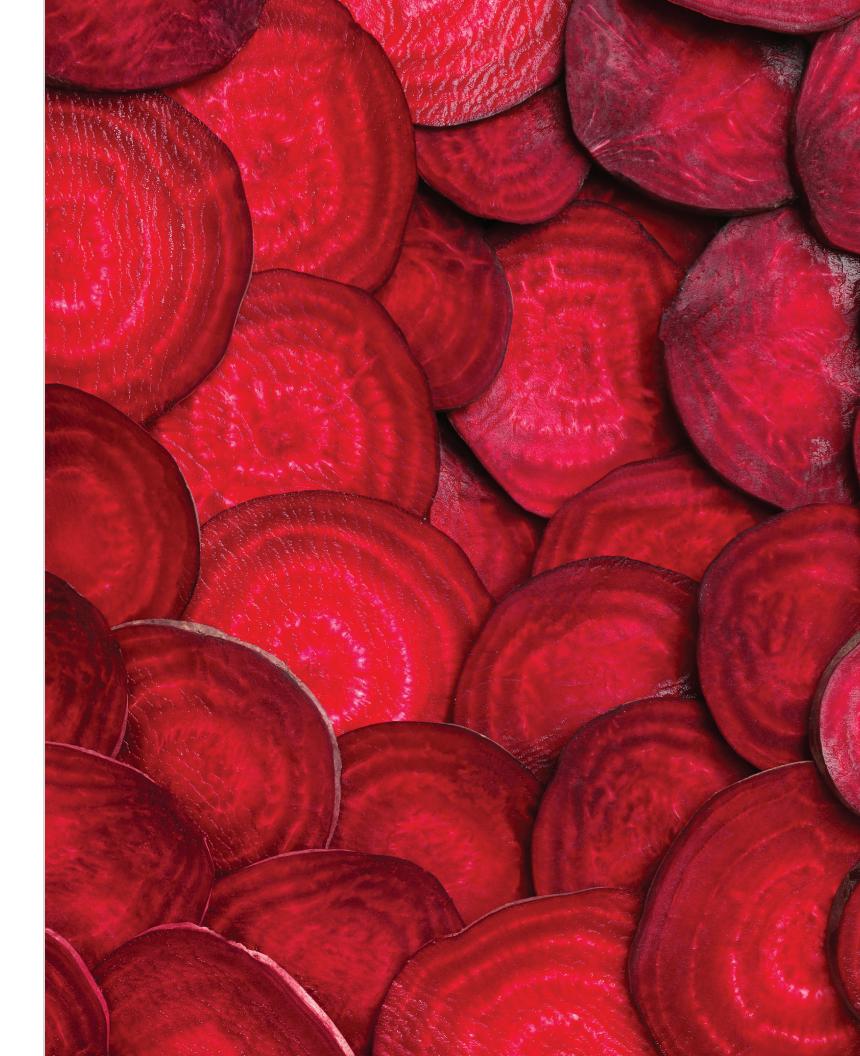
produce more efficiently with limited resources, our nutrients provide a sustainable and efficient alternative to animal feed.



Similarly, the usage and accumulation of synthetic fertilizers and their resulting impact on the food chain has driven an increased adoption of biostimulants in

PLANT NUTRITION

farming applications. Our products are used as biostimulants 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.





SUSTAINABLE FOOD INNOVATION



At Sensient, we meet consumers' demand for visually appealing and delicious healthy products by offering our customers the cleanest, best tasting products. Our R&D teams have developed a wide range of product lines that reflect the consumer drive toward 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.

Better-for-You

In 2020 and 2021, we saw the rise of the educated home baker. Throughout the pandemic months, people dove into their stacks of cookbooks, sorted their online recipe files, and got busy in their kitchens. They brought with them a dedication to healthier eating as a part of their still-active lifestyles. This meant a heightened focus on "betterfor-you" ingredients.

Products with "better-for-you" ingredients resonate
with consumers focusing more on their physical
well-being during and after lockdown. Sensient
helps brands take a holistic approach to support
wellness by offering a clean label portfolio that isUnfortunately, 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

inclusive of products that satisfy a wide variety of dietary restrictions and preferences.

Vegan Flavors

There is a growing interest in veganism and other lifestyle changes that involve a reduction in the consumption of animal products, with the corresponding environmental benefit. As most people are learning, the global water, land, and carbon footprints created by meat production are environmentally significant. This impact contributes to the rising interest in vegan diets. Our innovations in the Sensient Vegan Flavors line help food manufacturers create vegan products without sacrificing the taste experience.

Plant-Based Protein Solutions

Along with the rise in veganism, plant-based eating has increased in recent years as well. 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 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.



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.

As a proud member of the Plant Based Foods Association (PBFA), Sensient Colors collaborates with brands and manufacturers to offer sensory expertise with natural colors and taste solutions across the entire plant-based market.

Sodium and Sugar Reduction

An increasing number of consumers are paying more attention to the content and ingredients of food and beverages. These consumers do not want to compromise on taste. There is also growing prevalence of energy-dense foods that tend to be higher in sodium and sugar to fit into busy lifestyles. 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 labelfriendly without negatively impacting taste. Our products aid in the reduction of salt and sugar in foods. For example, our SensaSalt[™] line helps our customers reduce the salt content of their products, without sacrificing taste. 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. Our APSS portfolio helps flavor technologists reduce sugar content in recipes while maintaining the same sweet taste and reducing off-notes that can result when less sugar is used.

Dairy-Free Products

As the plant-based market grows, dairy alternatives and plant-based drinks are also becoming more popular. More and more brands are innovating beyond plain or standard flavors to generate interest and meet consumer demands for new varieties. Sensient's TrueBoost helps make these products better by providing 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 on taste.

Clean-Label Products

The trend toward clean-label food and beverage products has long become mainstream, with Mintel reporting that consumer behavior is evolving from "clean label" preferences to a more holistic "clean eating" pattern. This clean eating is often associated with natural and simple ingredients in addition to health and nutrition in the broader sense. Products with a cleaner label and familiar ingredients are seen as premium, as they create the consumer perception of a more natural and better-for-you product and help build consumer trust and loyalty. Sensient continues to develop numerous clean-label products and alternatives to synthetic products to help our customers capitalize on this trend.

Natural Flavor Enhancers

Sensient is ready with innovative, creative flavor enhancements, all of which meet cleanmanufacturing 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-thegrill" 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.

Organic

e. 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 also 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 the global consuming public 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 an alternative to titanium dioxide for use in cosmetic and personal care applications such as oral care, skin care, and makeup.

Coloring Foods

In addition to our extensive portfolio of natural colors, we offer a full range of coloring food products based on concentrates and extracts from specially selected edible plant sources with unique coloring properties. Coloring foods support the clean label trend, particularly in Europe, where they are considered food ingredients rather than color additives. Our coloring foods undergo minimal physical processing of nonselective extraction to secure the sensitive pigment components of the highest-quality raw materials. Moreover, 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.

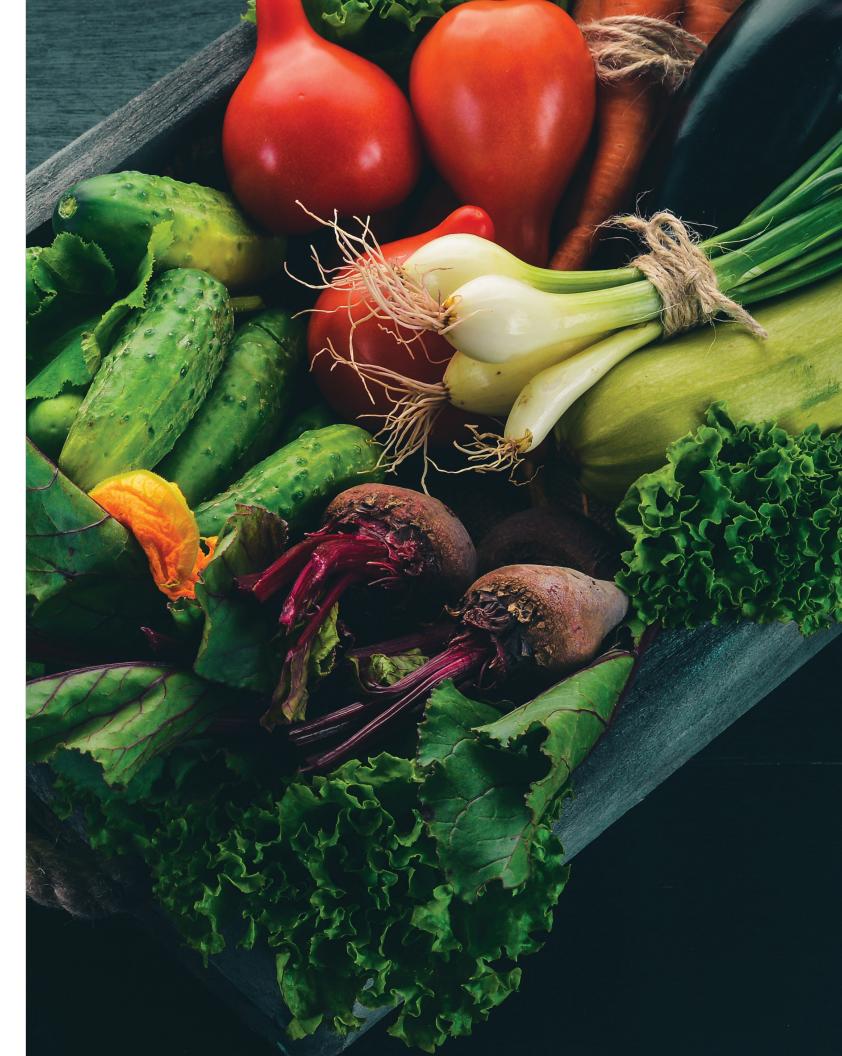
One of our coloring food product lines, Sensient Cardea, was specifically developed to unlock nature's true potential. In the style of Roman Goddess Cardea, seeking new ways and walking through new doors, Sensient's Cardea range meets manufacturers' highest clean-label demands with coloring solutions made entirely free from additives or preservatives. The color line's formulation consists only of recognizable, pure, and authentic natural ingredients and concentrates. It utilizes the perfect combination of natural ingredients that work in sync with one another to optimize performance in food and beverage products. In addition, as the trend toward clean eating is evolving, consumers are increasingly considering ethical and environmental aspects as part of the equation.

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.







Sensient is committed to responsible procurement. To help assure 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 To combat these concerns, Sensient's research and allows us to follow a product through each stage innovation teams have developed a broad library of of production and helps to ensure regulatory sustainable and environmentally friendly natural compliance and quality control throughout. We also color options that do not contain palm oil-based utilize a leading cloud-based supplier compliance, products. These innovative technological platforms quality, and innovation platform. Using this platform, are free of all palm-derived components, including our R&D, Procurement, Quality, and Regulatory the active pigment. In extensive stability testing, our Departments connect with suppliers and conew palm-free natural colors have proved effective manufacturers to ensure the safety and quality of against color degradation, making them ideally products. We also use this platform to help qualify suited for food and beverage applications. From a new vendors; source raw materials, ingredients, coloring perspective, palm-free formulations can be packaging, and services; request samples; used as a sustainable alternative because they do not negotiate specifications; and automatically collect differ in shade or appearance. supporting documentation.

RESPONSIBLE PROCUREMENT

Palm-Free Natural Food Colors and Flavors
 Palm oil production has skyrocketed over the past 20 years to the extent that palm oil 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 every food and beverage category. In natural food colors and flavors, it is used as a carrier. The rapid expansion of palm oil plantations, however, has raised concerns regarding deforestation and wildlife habitat preservation.

In addition, several Sensient business units across both 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.

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. Sensient's good faith reasonable country of origin inquiry includes:

- Reviewing and implementing certain practices outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD 2016), an internationally recognized due diligence framework;
- Conducting an internal review of Sensient's products to determine which products contain necessary conflict minerals, including any purchased raw materials that contain necessary conflict minerals; and
- Conducting a supply-chain survey with direct suppliers of materials containing necessary conflict minerals to determine the source of such conflict minerals.

We disclosed our findings for FY20 to the Securities and Exchange Commission in May of 2021. 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.

LXG Amazon Reforestry Fund the elimination of illicit activities such as illegal mining and growing of plants for use in narcotics drug trade Sensient Colors' ongoing project with the LXG in the area by creating employment alternatives for Amazon Reforestry Fund (LXGarf) ensures responsible local communities. procurement, environmental stewardship, and social responsibility with our agricultural activities in Utilizing nonarable land, we intercrop annatto Peru. LXGarf is a private initiative run by LXG Asset seeds with high-yielding tree species. One Management, a regulated asset manager in Peru. hundred percent of the crop's biomass is utilized The fund refurbishes areas in the Amazon that were in a variety of ways, including as a source material deforested for cattle ranching by planting native trees for our natural colors as well as for fertilizer and in a profitable and sustainable way on land holding food for aquatic life in the reservoirs. The project Organic and Fair For Life certifications. LXGarf aims for continues to grow, and we are eager to expand our social returns as well by supporting local communities' partnership with LXGarf. families with job opportunities, education, and access to food and water. The Fund also helps to accelerate





OUR ENVIRONMENT

Sensient is committed to the principles of sound environmental stewardship and the responsible and sustainable use of energy and natural resources. Our Code of Conduct requires each Sensient employee and facility to comply with all applicable local and national environmental laws and regulations, and all Sensient facilities are required to operate in a manner to avoid harm to the environment, prevent pollution, and reduce waste.

Sensient has a strong record of environmental compliance in all our facilities, which are located in more than 20 countries. But we recognize that compliance alone is not sufficient to meet global sustainability challenges. We are committed to conserving our natural resources and to improving our environment so future generations can live healthy, prosperous lives.

Corporate Sustainability Strategy

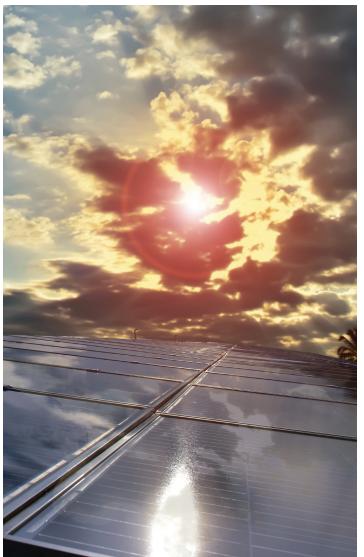
- Reduce consumption of non-renewable energy and reduce emissions of greenhouse gases, with the objective of hopefully reaching net-zero carbon dioxide equivalent (CO2e) emissions by 2050.
- Improve water efficiencies and decrease water consumption, prioritizing sites in high-stress areas.
- **3.** Reduce waste and apply the principles of a circular economy.
- Build a sustainable supply chain that fully integrates ethical and environmentally responsible practices.

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 our 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.
 - 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 decisionmaking 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.



To help us move beyond mere environmental compliance, we recently established an internal ESG Working Group encompassing all Sensient locations and business units to advance our top-tier sustainability initiatives. This group meets on a regular basis to discuss ESG matters, including any sitespecific issues or any opportunities for collaboration and advancement, and is a crucial resource for collecting data, identifying areas for improvement, and brainstorming the best plans-of-action to effect change. 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. In 2021, we also established a Sustainability Steering Committee, a cross-functional management leadership team chaired by the General Counsel. The Sustainability Steering Committee meets monthly and provides strategic leadership and guidance to help the Company execute our Sustainability Strategy and help us achieve our environmental sustainability goals.

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.

Our efforts in each of these key areas over the past year are summarized in the following sections.



Energy

Reliable energy is critical to our operations. It not only represents a significant operational expense, but depending on how it is generated, can also cause pollution as well as the generation of greenhouse gases (GHGs), which have been implicated as contributors to climate change. Last year, we engaged a leading international environmental consulting firm to help develop and benchmark our methodology for estimating GHG emissions across our global operational footprint. This firm helped identify potential data gaps and assisted in developing a systematized and reproducible process for calculating our emissions. In our 2020 report, we disclosed our Company-wide annual GHG emissions for the first time to provide a baseline against which to measure our progress in future years as well as to help us define a more robust strategy for establishing reduction targets in the coming 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 currently in the process of implementing a cloud-based sustainability metric tracking system. This system will help automate our data collection efforts and help ensure accurate disclosures by pulling electricity and fuel (among other sustainability-related metrics) usage data from utility invoices, meters, and vendor reports.

Target

In 2020, we surpassed our 2015 energy reduction target of 15%, five years ahead of schedule. In order to set more ambitious targets across the Company, we are initiating energy opportunity audits at our facilities and working with an energy consultant to understand our opportunities in purchasing renewable electricity.

We will use the detailed assessments conducted in 2022 to help us establish new targets in 2023.

2021 Metrics

- Scope 1 greenhouse gas emissions associated with our global manufacturing footprint: approximately 150,000 MT CO₂e
- Scope 2 greenhouse gas emissions associated with our global manufacturing footprint: approximately 61,000 MT CO₂e

Strategies, Initiatives, and Priorities

- Integrate fuel and electricity usage and efficiency improvement considerations in all capital expenditure project assessments.
- Increase share of electrical power consumed from renewable sources when feasible.
- Change equipment and production • processes to utilize green(er) technologies.
- Explore "natural climate solutions."
- Explore carbon capture and storage options.
- Create a defined annual Sustainability • capital expenditure budget.

2021 Energy Reduction and Efficiency **Improvement Projects**

• Since 2013, we have closed and/or sold 17 manufacturing facilities to rationalize our production and create a more sustainable footprint. This consolidation, in addition to other efficiency improvements we have made over the last six years, helped reduce our gross Company-wide energy consumption associated with manufacturing by approximately 18% between 2015 and 2021.

- As of 2021, all three of our UK manufacturing • facilities are using 100% renewable electricity. This equated to a reduction of approximately 4,481 metric tons of carbon dioxide emissions in 2021. This past year, one of these facilities entered a solar Power Purchase Agreement to generate approximately 12% of its electrical consumption through rooftop solar arrays installed onsite.
- 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.
- Upon expiration of existing energy contracts, every Sensient facility must attempt to secure all energy needs from renewable, zero-emission power sources.
- We have optimized a spray dryer by automating temperature controls and modifying burners and air flow to reduce product drying times by 10-25%, with associated reductions in natural gas consumption.
- We have continued installation of timers. daylight sensors, and infrared sensors on lighting systems at various facilities to reduce electricity use associated with lighting.

- We reduced the fuel consumption associated with our supply chain at one of our Asian manufacturing locations 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.
- This year, our Flavors R&D team initiated a new spray drying technology that consumes We have reduced greenhouse gas emissions less energy by operating at a lower process associated with shipping by approximately temperature. The resulting spray-dried 10 metric tons CO₂e per year by shipping flavors also have a longer shelf life, which flavor concentrates instead of finished generates less waste and, ultimately, flavors to sister manufacturing facilities requires less overall production to meet the overseas. same demand. This results in both reduced energy consumption and reduced spray drying emissions.
- Our focus on "first-time right" quality improvements throughout the Company resulted in the reduction of repeat production runs, reducing consumption of process inputs and eliminating process emissions and solid waste from failed batches.
- According to our contractual agreements and utility invoices, six of our thirty-one manufacturing facilities source 100% of their electrical requirements from renewable energy from the grid.
- We replaced three freezers used in R&D with more energy-efficient models, reducing electrical consumption by 30,000 kWh/year.

- We have insulated certain processing equipment that operates at elevated temperatures, reducing a facility's fuel consumption for stationary consumption by roughly 2%.
- We replaced a tray dryer with a fluidized bed dryer, reducing drying time by 40% and reducing overall energy consumption by 25%.

- We relocated a production facility to a smaller and more efficient facility, reducing electricity consumption by approximately 36% and water consumption by approximately 84% for similar production levels.
- We installed a condensate return system on the boilers at one facility to reduce energy consumption by 26%.
- We replaced a burner on a natural gas dryer, improving thermal efficiency by about 7% and reducing energy usage at this facility by about 600 GJ/year.

Please reference Climate-Related Risk & Opportunities for more details on our transition to a low carbon economy.





Waste

We also focus on increased recycling and "upcycle" wastes throughout our business. eliminating waste in our operations. When developing our products and solutions, we Target always include a goal of reducing production and Reduce hazardous waste per unit of application waste. We understand that generation of waste and suboptimal use of resources is just bad business and can lead to harmful secondary As of 2021, we have surpassed our 2025 target, effects. For example, the Food and Agriculture four years ahead of schedule with a 90% reduction Organization of the United Nations (FAO) estimates in our hazardous waste intensity. We will be that 30% of global food raised or prepared is reassessing our facilities this year in order to set wasted, contributing to approximately 8% of global new targets. greenhouse gas emissions. Waste optimization is not just about sustainable resource use for its 2021 Metrics own sake; it also helps conserve energy, reduce • Hazardous waste generation: approximately pollution, reduce the toxicity of our waste, and 290 metric tons reduce production costs.

Another way we can reduce the overall amount of waste generated and operate more efficiently is by implementing circular design principles into our products and processes. Circular design aims to create closed-loop systems in which materials are constantly reused. We already employ circular design principles in several areas of our business, most significantly in our Bionutrients business. We not only utilize a waste product from the brewing industry to make our product, we also recover and sell the alcohol coming in with this product. We also upcycle the cell walls resulting from the process and beneficially apply the wastewater

sludge generated by the process to fertilize fields. We will continue to find similar opportunities to



production 10% by 2025 (2015 baseline).

Strategies, Initiatives, and Priorities

- Integrate waste reduction and upcycling considerations in all capital expenditure project assessments.
- Conduct a Company-wide baseline assessment of all nonhazardous waste streams.
- Recycle and upcycle as much waste as possible with the objective to establish Zero Waste to Landfill (ZWL) facilities where possible.
 - Integrate circular design principles into R&D practices at the earliest stage of design.



2021 Waste Reduction and Upcycling Projects

- We have two manufacturing sites that are Zero Waste to Landfill certified and a few others that are working to become certified this upcoming year.
- We continued implementation of "Project Hulk," an all-encompassing sustainability program at one of our manufacturing facilities. The facility introduced composting in the lunchroom and installed a "Sustainability Hulk Board" to improve staff engagement in the facility. Embodying a circular approach, all cardboard and plastic film is recycled, and a third-party company removes plastic containers and converts them to useful products such as resin, underground cable covers, and slip-sheets.
- We optimized a wastewater treatment sludge dewatering process at a facility, resulting in 36% reduction of sludge sent to landfill.

- We diverted about 4% of a facility's nonhazardous waste from landfill disposal to an anaerobic digestion plant to produce biogas.
- We reduced the water content of wastewater treatment sludge by installing a more efficient filter press, reducing sludge volumes by 10%.
- 100% of spent bio-matter from our Natural Extraction business is composted because of the use of PhytoClean[™]. If we used traditional solvents, this spent biomass would have to be disposed of using traditional waste disposal methods.
- Waste streams from our yeast derivative manufacturing process is converted to animal feedstock or land applied as a crop nutrient instead of being landfilled.

We continued our comprehensive upcycling programs at a number of our businesses:

We purchase and up-cycle spent yeast waste streams from the brewig industry to produce various yeast derivaties for microbial nutrition in fermemtaion applicationsand animal and plant nurtition.

07

01

Our Natural Extraction elderberry and other plants that would

06

We diverted over 6 millio pounds of humin, a by product of our hydrolyzed vegetable manufacturing process, from landfills to an animal feed manufacturer to be used for animal feed.

> We purchased and upcycled grape promace (i.e., pulpy 05 residue remaning after grapes have been crushed to extract their juice to make wine) from growers all throughout Italy to create grape extract, a very label - friendly color.

02

100% of the vegetable procesing by products from our Natural Ingredients busines are reused as soild amendments and nutrients for growing crops and local farms.

> We use plant material waste from out natural color production site in Peru to make animal feed, diverting approximately 240 metric tons of waste per year away from landfill disposal.

> > 03

their desired claim of using product by sourcing high-quality fruit.

04



Water

Water sits at the forefront of Sensient's daily operations. It is a key resource at every stage of production. Not only is it used to help grow the agricultural raw materials we purchase, but fresh, clean water is a key ingredient in many of our products. Our manufacturing processes require water to provide both process heating in the form of steam and process cooling to remove heat. Water is also critical for our strict cleaning and sanitation practices, which we maintain to ensure our manufacturing environments are hygienic for the production of safe, quality products. 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, seize new business opportunities and markets, 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.

Target

In line with our approach to setting new energy reduction targets, we will conduct various water audits to assess where our biggest opportunities lie and where we need to make the most improvements. This will lay the groundwork for disclosing new targets in 2023, using 2020 as our baseline.

2021 Metrics

- Water Withdrawal: approximately 3,600,000 cubic meters
- Percent coming from high/extremely high baseline water stress regions: approximately 36%

Strategies, Initiatives, and Priorities

- Integrate water reduction and efficiency improvement considerations in all capital expenditure project assessments.
- Conduct water consumption audits at each production facility.
- Increase recycling and reuse of water.
- Make production processes less water intensive through improved process vessel cleaning operations.

Water Reduction and **Efficiency Improvement Projects**

- We beneficially reused 100% of our process rinse water in our Natural Ingredients business to irrigate crops at local farms.
- We continued implementation and use of cleanin-place technology, dramatically reducing the amount of water used during the cleaning of processing equipment.
- We continued our five-year project to replace all single-pass noncontact cooling water systems We installed condensate return systems on in a facility with closed-loop noncontact cooling boilers to reduce water consumption by 20% at water systems, which reduced water usage by one facility. an estimated 250,000-350,000 gallons per day.
- Our Australian manufacturing facility reduced water consumption by over 27% in 2021 and nearly 90% in the last four years, largely from improved cleaning processes.

- Our German manufacturing facility reduced water consumption by 43% since 2015 through improved cleaning and processes and cooling systems.
- We optimized our gas scrubber spray system to improve scrubbing efficiency, reducing water consumption by 4,500 cubic meters per year.
- We replaced a once-through cooling water system with a closed-loop cooling tower system, reducing groundwater consumption by approximately 1,600 cubic meters per year.
- We replaced single-pass cooling water for a reactor vessel with a cooling water jacket fed by a chiller, saving about 333,000 liters of water per year.
- We modified the cleaning process of process vessels by performing dry sweeping prior to wet cleaning, dropping the facility's water consumption by 12%.
- We reduced water consumption by approximately 28% at one facility by rationalizing the manufacturing of low-value products, resulting in less cleaning required for production equipment.

 We modified a production process to eliminate a processing step that required the use of a secondary piece of equipment, reducing the amount of water needed for equipment cleanup.



OUR 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 and 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 law 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 with no payment beyond that which a government mandates must be made. Sensient also seeks to provide a work environment that is respectful of every person and is free from discrimination, intimidation, and harassment based on race, religion, color, sex (which includes pregnancy, orientation, identification, expression, and all other legally protected characteristics), age, national origin, disability, veteran or military status, or any other characteristic now or subsequently protected by applicable law. 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. We share 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, as well as 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 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. We believe 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. 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, 2021, the Company had approximately 3,844 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- 1 Report") attached in the appendix provides a summary of our U.S. employees as of December 31, 2021.¹ Approximately 33% of our employees in the U.S. are female, and globally the representation of female workers is approximately 36%.²

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 tenth year in a row and recognized by Milwaukee Women Inc. for the percentage of women on our Board. Of our eleven directors as of December 31, 2021, four are women, one of whom is African American; one is South Asian; two are immigrants to the United States; and two are veterans.

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

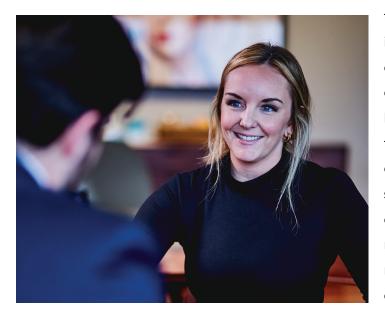
² Based on available information; we do not collect gender information from all applicants or employees.

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¹The EEO-1 Report provides a demographic breakdown of an employer's U.S. workforce by race and sex in certain prescribed job categories. The 2021 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 2021 EEO-1 report when the EEOC begins collecting the information, anticipated in April 2022.

improve upon, an effective on-boarding process to differentiate ourselves from our competitors and help enable our employees to succeed.



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 prepare 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 "promotefrom-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 added a new Talent Development and Learning position, dedicated to expanding our programming on leadership, coaching, people management, career development, and learning.

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 82% 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 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.
 Opportunities for employees to participate in international work assignments.
 Ongoing training for people managers to leac coach, and support our employees. In 2021, this training included a Coaching Challenge
- 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 two veterans, and
 Robust talent management practices including individual development planning, a High Potential Program, and an effective succession-planning program.

- 5%.three out of the five Named Executive Officersalin our 2022 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.
 - Monthly CEO town halls with all employees via live video.

Ongoing training for people managers to lead, coach, and support our employees. In 2021, this training included a Coaching Challenge initiative, in which the CEO, Group Presidents, General Managers, and other senior leaders received feedback from their teams on their coaching skills, followed by a targeted opportunity to address that feedback and enhance their coaching activities.

- 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.
- Home computer purchase assistance for eligible employees.
- 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, plantwide 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.

- hand sanitizer; reconfiguration of work areas In addition to our routine health and safety programs, we continued to invest significantly in to maximize distance between employees; creating and maintaining safe work environments installation of plexiglass barriers and for our employees throughout the COVID-19 mandatory spacing in break rooms, conference pandemic. Examples of actions we have taken to rooms, and common areas; controlled traffic patterns to maximize distance; alternative keep our employees safe include: work and break schedules: use of video • The immediate implementation and regular conferencing; and signage in offices and updating of a Company-wide COVID-19 policy. facilities concerning hygiene.
- The designation of key contacts leading the COVID-19 response at the local and Corporate levels.
- The creation, implementation, and continual updating of an "Are You Sick" Flow Chart setting forth a simple summary of required actions when an employee feels ill or may have had possible exposure to COVID-19.
- The implementation of a vaccine mandate in the United States and elsewhere, as permitted by local law, for all positions at the director level and above, and all customerfacing sales roles.
- The purchase, distribution, and usage of Corporate-sponsored COVID-19 test kits from the start of the COVID outbreak that provided next day test results to ensure business continuity and employee peace of mind.
- Required protective on-site measures to prevent transmission, which have evolved to take into account the vaccinated status of many employees, including face masks in appropriate situations; visitor health screenings; manufacture and provision of

• CEO video updates and live town hall meetings throughout the pandemic to communicate the Company's COVID-19 response actions and answer employee questions (including anonymous questions).

In 2021, we continued to ensure compliance with all masking and social distancing requirements and utilized the Company's internal purchased COVID-19 testing kits to ensure accurate and timely results. We kept in close communication with local health departments so our employees were aware of their options as soon as vaccines became available. We hosted on-site vaccination events for employees and their families. We also provided information about the vaccine to our employees, including an interview video discussion between the CEO and one of our Board members, Dr. Donald W. Landry. Additionally, we supported employees with needed paid time off to be vaccinated and to recover from any side effects they may have

experienced as a result of the vaccine.



PHILANTHROPY AND COMMUNITY SERVICE

Sensient is a passionate steward of the health and vitality of the communities in which we operate. Intentional and robust community engagement ensures we can retain exceptional employees and ensures 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 toward the Company.

Sensient's foundation gave over \$750,000 in donations to a variety of charities in 2021.

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:

 As Afghanistan faced a humanitarian crisis this year, many Afghan families were transported to communities near where we live and work. Nearly all Afghan families arrived here with only the clothes on their backs. The needs were, and continue to be, immense. Looking to help any way we could, a number of our U.S. sites hosted donation drives focused on meeting the most urgent needs of the families. In addition to employee donations, the Sensient Foundation donated \$10,000 to support the refugee families and their relocation needs.

- Each year, our Global Flavors Innovation center collaborates with the WINGS Program, the largest domestic violence service provider in Illinois, providing housing and other services to women and children escaping domestic abuse. This year, we provided 131 families with holiday gifts and helped WINGS make repairs to their two safe houses and three shared homes.
- In Southeast Asia, we provided Christmas food packages to all of our 600 growers and pickers on our butterfly pea farms.
- Three times this year, Sensient employees in Michigan participated in a local Adopt-A-Highway program designed to help keep the state's highway roadsides clean and attractive.
- In the Philippines, our farm expansion created job opportunities for more than 500 people to pick, dry, package, and store crops. Because of the jobs created by Sensient, these families are now able to send their children to school.



- In Uganda, our strategic partner employs over 300 families, some displaced from nearby wartorn 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.
- At our manufacturing facility in Illinois, we donated money for equipment upgrades for our local Fire Department. The new equipment has greatly improved response time to emergency situations.

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 engaged in a partnership with Milwaukee Academy of Science (MAS), a STEM 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% or more economically disadvantaged, 80% or more minority students, 10% or more students with special education needs). This past year, the school went through an expansion to accommodate 25% of their current elementary students that would have had to be turned away due to space constraints. In support of this expansion, the Sensient Foundation funded the construction of a new STEM lab for the school.

Our employees have also begun engaging with the students at MAS. For example, Sensient executives participated in MAS's high school career fair, where they shared information about their roles at Sensier and the educational path they took to get to where they are today. Our Corporate office also hosted a winter clothes drive for the students.

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.

n	Supporting Youth Innovation
	This year, we continued our support for youth
e	innovation by co-sponsoring Innovation
ie	Olympics 2.0 with the Southeast Asian Regional
	Center for Graduate Study and Research in
	Agriculture (SEARCA), East-West Seed Co., and
	other organizations. Innovation Olympics 2.0 is
	a nationwide search for innovative solutions in
	precision agriculture for small-scale vegetable
	farming, developed by young Filipinos to benefit
nt	local farmers. Innovation Olympics 2.0 serves as
	an avenue where students can share, create, and
	pilot new technology solutions for urban and rural
	smallholder vegetable farmers. With Sensient's
	support, the participating teams received online
I	training and demonstrations, implementation of
	projects in farming communities, and seed money
	for each stage of the competition.



Local School Partnerships in Latin America

In one of the communities in which we operate, we began a partnership 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.

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 four high school scholarships and four college scholarships to the children of contract growers in the Philippines. We are eager to continue supporting our dedicated growers and their families.

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 color 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, Indonesia. Since 2017, the program has graduated eight students and has produced twelve publications.

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. They 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 donated to the "Indigenous Women in STEM Ag+Food Sector" program, a partnership between Food Futures and other local organizations. The program focuses on developing entrepreneurship pathways while integrating cultural connections combined with the development of new knowledge and skills in a range of STEM disciplines.

Global Employee Initiatives

As the pandemic continued to limit our ability to come together in-person, we found ways to unite through virtual volunteer events. These events helped us connect with our colleagues around the world and showed us how meaningful our impact can be when we join together as Sensient stewards.



Providing Families with Clean Water with



Wine to Water It is estimated that 2.2

world are living without access to safe, clean water. In celebration of World Water Day, Sensient team Sensient employees from 14 different countries came members from around the U.S. gathered virtually to build and donate 270 portable water filtration systems together and ran or walked 1,400 kilometers, resulting to fight the global water crisis and bring clean water in 1,400 bars of soap donated to the communities that to 2,700 people all over the world. These water filters need it most.

ultimately reached people as far away as the Amazon rainforest, Nepal, Colombia, and East Africa, and as near as hurricane and flood victims in the United States. Each filter is a portable water filtration system that can provide up to 10 years of clean water for an entire family.

These water filters ultimately reached people as far away as the Amazon rainforest, Nepal, Colombia, and East Africa, and as near as hurricane and flood victims in the United States. Each filter is a portable water filtration system that can provide up to 10 years of clean water for an entire family.

"At Sensient, we want to contribute to the betterment of the world we live in. Safe. clean water should be available for all people, everywhere...We are proud to do our part in this important effort." -Paul Manning Chairman, President and CEO of Sensient

Getting Active with #Sweat4Soap A Bar of Soap for Every. Single. Kilometer. In support of Global Handwashing Day, Sensient collaborated with EcoSoap Bank, who donated soap



bars to communities in need for every kilometer or mile we run or walk. Eco-Soap Bank is a global organization that employs women to recycle

leftover soap from hotels and factories and then billion people around the redistributes the soap to communities in need while also providing hygiene education.



SOCIAL RESPONSIBILITY AND HUMAN RIGHTS POLICY



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

Through our Supplier Code of Conduct, available in ten languages, we also seek to work with suppliers that share our values. In 2021, we updated our Supplier Code to enhance the minimum requirements expected from our suppliers. Requirements and expectations include the ethics and human rights 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.

Compliance with the law and observing our ethical obligations are absolutely essential conditions for fulfilling our duties to each other, our customers, and society as a whole:

- <u>Antitrust and Fair Competition</u>. Sensient and our suppliers will comply with all fair competition laws and not engage in illegal monopolies, illegal behavior, price fixing, collusive bidding, price discrimination, and other unfair practices.
- Intellectual Property. Our suppliers must respect Sensient's and third parties' intellectual property rights. Suppliers must promptly notify Sensient if they know or suspect that their products, or Sensient's use of their products, infringe any third-party intellectual property rights.
 - 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.
- <u>Conflict of Interest</u>. We expect our suppliers 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.

- <u>Gifts</u>. Gifts to or from Sensient employees are neither expected nor necessary for business relationships between our suppliers and Sensient. Our Code of Conduct prohibits Sensient employees from giving or receiving gifts of more than a token value, and all giftgiving is limited.
- <u>Embargoes and Trade Law</u>. Sensient and our suppliers are expected to comply with all applicable trade laws and restrictions imposed by the United Nations, the United States, and other national governments.
- <u>Management and Transparency</u>. Our suppliers are expected to have systems in place to track compliance with applicable laws and regulations and to investigate, to the extent allowed by law, allegations of misconduct.
 Suppliers must immediately inform Sensient in writing if they are aware of any negative publicity regarding the supplier or any product supplied to Sensient.
- <u>Responsible Sourcing</u>. 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 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, that originated from conflict regions and that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.
- <u>Human Rights</u>. 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.



- Freedom of Association. We respect our employees' right to freedom of association and collective bargaining and we comply with laws regulating the employer-employee relationship, including laws relating to works councils.
- No Forced Labor. The use by Sensient or any supplier of slaves or forced labor of any kind is prohibited, including prison labor, non-rescindable contracts, or labor obtained through threats of punishment, deposits of bonds or travel documents, or other constraints. Sensient annually files a transparency statement in compliance with the UK Modern Slavery Act 2015 and expects suppliers subject to the Act to do so as well.
- No Child Labor. Work by children under the age of 15 years for Sensient or any supplier (or any higher age established by applicable law) is strictly prohibited. In addition, we expect suppliers to conform to Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labor) of the International Labor Organization.
- No Harassment or Abuse. Sensient expects all employees to be treated with respect and dignity and prohibits harassment and abuse of any kind. We hold our suppliers to the same standards.
- Diversity and Equal Opportunity. Sensient values the diversity and experience of our workforce and we support women's and minority groups' rights. We strive to provide equal employment opportunities to all people

without discrimination because of their race, religion, color, sex (which includes pregnancy, orientation, identification, expression, and all other legally protected characteristics), age, national origin, disability, veteran or military status, or any other characteristic now or subsequently protected by applicable law. We are committed to hiring the best, most wellqualified people without regard to any factor other than professional merit and the content of their character. We continually endeavor to treat each person as an individual entitled to respect and dignity based upon their individual character. The result is a workforce made up of incredibly talented people from many diverse backgrounds. We expect the same from our suppliers.

- Reasonable Compensation. Sensient and our suppliers will pay reasonable compensation that, at a minimum, complies with all applicable laws and requirements.
- Working Hours, Overtime, and Wages. Sensient and our suppliers will comply with all applicable requirements and limitations set by the laws of the country of manufacture and may not require excessive overtime. 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. Sensient is committed to worker health and safety. Our suppliers must provide a safe workplace



for their workers including, at a minimum, adequate lighting, ventilation, potable water, and sanitary facilities. Where applicable, suppliers must provide safety equipment, guards, and personal protective equipment to protect workers from hazardous machinery and materials, fire suppression and evacuation protocols, and security measures to ensure employees' safety while on or entering or exiting Supplier's premises.

- Environmental Compliance. Sensient is committed to sound environmental management. Our suppliers must also conduct their businesses in compliance with applicable requirements in a way that minimizes impact to the environment. We also expect our suppliers to support our own efforts by implementing sustainable operating practices and striving to reduce their use of energy and water and to minimize generation of waste.
 - O Hazardous Waste Management. Our suppliers must capture, contain, and

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dispose of all hazardous wastes safely and in accordance with all applicable laws.

- O 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.
- O Energy Efficiency. Our suppliers will take appropriate steps to minimize the consumption of energy as well as put in place energy saving strategies (e.g., use of renewable sources and fuels, fuel-efficient logistics operations, etc).
 - O 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.
- O <u>No Deforestation</u>. 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.

- <u>Property Rights</u>. Our suppliers must respect property rights in the communities in which they operate. They must also ensure fair negotiation on all land transfers to which they are a party and must comply with all applicable laws and regulations related to property rights.
- <u>Health & Safety Impact</u>. Our suppliers will seek to prevent and adequately address any adverse health and safety impact of their operations on surrounding communities.
- Local Sourcing. Our suppliers will seek to employ and source goods and services locally whenever practicable.
- <u>Relationships with Local Communities</u>. We respect the cultures, customs, and values of the people in the communities in which we operate. We are committed to engagement and consultation with our relevant stakeholders as we prepare, evaluate, and continue to refine our human rights policies and initiatives.
- <u>Right to Water</u>. We recognize the right to water as a fundamental human right. We respect the human need for sustainable water supplies, safe drinking water, and protection of ecosystems and communities through water pollution control.

- <u>No Bribery or Corrupt Payments</u>. Bribery of government officials or private persons is strictly prohibited. We have a comprehensive anti-bribery policy that requires strict compliance with the United States Foreign Corrupt Practices Act as well as the United Kingdom Bribery Act. This policy applies to everyone who works for or with Sensient, including all directors, officers, employees, third-party business partners, and other intermediaries who interface with government officials on Sensient's behalf.
- <u>Political Contributions</u>. Sensient does not have a Political Action Committee and prohibits contributions – either in-kind or financial – to political candidates or parties in the Company's name. In 2021, no such contributions were made.
- <u>Cybersecurity</u>. Sensient has a robust program to protect employees' private information. We expect our suppliers to do likewise.
- <u>Continuous Improvement</u>. We recognize that achieving the requirements of our Social Responsibility and Human Rights Policy 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 these requirements may be subject to consequences up to and including termination of business.



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SUPPLIER ENGAGEMENT

Supplier Engagement Strategy

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.

If we are to reach a net-zero economy by 2050, we will have to collaborate and engage with our entire value chain as we work to achieve this global initiative.

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. This year, we asked all 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 journeys. Additionally, this exercise has signaled to our suppliers that this is an increasingly important issue to Sensient and that we will require more elaborate disclosures in the near future through one of the global disclosure questionnaires.

Responsible Sourcing Requirements

It is now a requirement for our suppliers to provide written acknowledgement of the Supplier Code. 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.

Supplier Risk Assessments and Prioritization

Many of our sites use Supplier Audit Questionnaires and Raw Material Questionnaires for new vendor gualification to collect information 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.

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.



CORPORATE <u>GOVERNANCE, LEGAL</u> COMPLIANCE, AND RISK **OVERSIGHT**

Sensient's Board of Directors is responsible for personnel safety, physical security, human capital overseeing the management of Sensient's business management, and cyber and intellectual property and affairs, including management's establishment security programs. and implementation of key strategic priorities and initiatives. Long-term, sustainable value creation and Additionally, the entire Board, along with five preservation are possible only through the prudent non-director members who are recognized food assumption and management of both risks and science or food safety experts, participates in the potential rewards. Sensient's Board takes a leading Scientific Advisory Committee, which monitors role in overseeing Sensient's overall risk tolerances and reviews new product development programs, as a part of the strategic planning process and in overseeing Sensient's management of strategic risks. related to Sensient's product lines. The Board and

Board of Directors Committee Oversight

The Board has delegated to the Audit Committee charge of the related risk management activities. primary responsibility for overseeing management's Furthermore, the Board has direct access to all risk assessments and implementation of appropriate executive officers of Sensient and routinely receives risk management policies and guidelines, including presentations from Group Presidents, General those related to financial reporting, regulatory Managers of the various business units, technical compliance, and litigation risk mitigation. It has leaders, and product safety leaders. delegated to the Compensation and Development Committee primary oversight responsibility to The Board, through the Audit Committee, oversees ensure that compensation programs and practices a number of activities undertaken by management to monitor financial reporting risks and internal do not encourage unnecessary or excessive risktaking and that any risks are subject to appropriate controls. Those activities include regular audits of controls. It has delegated to the Nominating and significant business units by Sensient's Internal Audit Corporate Governance Committee primary oversight Department, annual audit and quarterly reviews responsibility to ensure that Sensient's governance by Ernst & Young LLP, an annual internal control standards establish effective systems for monitoring audit by Ernst & Young LLP, and, when needed, and accountability as well as over environmental special investigations directed by the Director of performance and for matters relating to Sensient's Internal Audit and General Counsel of any unusual or sustainability efforts, including this Sustainability irregular activities. Report and oversight of climate risk (see section on Climate-Related Risks and Opportunities.). It For more information about our governance has delegated to the Finance Committee primary structure, please refer to our 2022 Proxy Statement, oversight responsibility with respect to Sensient's the Governance page on our website, and our Corporate Code of Conduct. capital structure, insurance program, and foreign currency management. The Board has assumed direct responsibility for Sensient's product safety,

- industry trends, and technical and regulatory issues
- these committees receive periodic reports on these matters from management and personnel in



Legal Compliance

The Board has updated and implemented numerous 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
- Sustainability Report
- Export Compliance Policy
- Food Safety/Recall Manual
- Physical Security Policy

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The Board has implemented, formalized, and updated internal policies and compliance programs

with respect to various regulatory matters, including Environmental, Health, and Safety (EHS) and intellectual property management.

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 Management

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, quarterly 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 thirdparty 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 2021, no Sensient products were recalled.



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.



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 stateof-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.



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, which 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 Manager 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.

- CEO & VP of Human Resources conduct supervisor and manager training for all new hires to discuss expectations, strategy, and effective leadership.
- 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.
- In 2020, the Company commissioned a comprehensive third-party physical security assessment of Company facilities and is in the process of implementing security enhancements.



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.

Reporting Violations

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 for any supplier code of conduct concerns.
- Call the violation hotline 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 consistently demonstrate 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 RISKS AND OPPORTUNITIES

CLIMATE-RELATED GOVERNANCE

BOARD
NOMINATING & GC

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BU LEADERSHIP, SUSTAINABILITY ENGINEERS AND ANALYSTS, ESG WORKING GROUP

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. As outlined in the section on Corporate Governance, Legal Compliance, and Risk Oversight, our Board of Directors is responsible for overseeing the management of Sensient's business and affairs, including implementation of key strategic priorities and initiatives. The Board delegates certain initiatives and projects to various committees. The Board has delegated to the Audit and Nominating and Corporate Governance Committees responsibility

F DIRECTORS

OVERNANCE COMMITTEE



TIVE LEADERSHIP

SUSTAINABILITY STEERING COMMITTEE **RISK MANAGEMENT COMMITTEE**



EALTH & SAFETY DEPARTMENT

CORPORATE EHS TEAM



BUSINESS UNITS

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 Nominating and Corporate Governance 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 Nominating and Corporate Governance 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, along with our goal to hopefully secure all of our energy needs from renewable, zeroemission energy sources as we plan for a net-zero economy by 2050.

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 associated with the use of certain chemicals; the assess the progress of climate and sustainability implementation of our CertaSure[™] program, goals, the Nominating and Corporate Governance which establishes voluntary FDA-like quality and Committee recommends performance objectives for safety standards for natural colors (which are specific managers as well as of Sensient, generally. otherwise only lightly regulated); and our Seed-to-The Board reviews management's performance, Shelf Program, which seeks to ensure exceptional traceability for the Company's natural botanical and reports, and data to ensure objectives are being met and periodically discusses the status of climate and agricultural raw materials. sustainability targets.

Management Oversight

Risk assessment and risk management oversight are the responsibility of the Company's management. The Risk 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.

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

Risk Management Committee

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.
- 2. 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.
- 8. Make budget allocation recommendations for capital expenditures on sustainability projects.

Environmental, Health & Safety (EHS)

The Corporate EHS team works closely with the Sustainability Steering Committee and each individual facility to ensure that climaterelated 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.



vManagement 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.

Climate-Related Strategy

There is growing recognition of the potential impact of climate change on the longer-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 expenditure. 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.



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. For example, the rapid expansion of palm oil plantations has raised concerns regarding deforestation and wildlife habitat preservation. To address 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. Our marketing teams also 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.

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. The Company also employs a Chemical Risk Strategy, which is overseen by the CEO and a senior member of the Board of Directors, that monitors research as well as legal and regulatory developments to ensure the Company can endeavor to stay ahead of emerging risks.



LEGAL

Legal and regulatory compliance is a key part of our Code of Conduct, as we cannot operate if we are not in compliance. As ESG and climate-related disclosures continue to evolve, our legal team is constantly tracking these advancements 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.



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 2021 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. 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.

We will source as much power from sustainable sources as is financially and physically feasible. We believe the business, however, 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 the 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.

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 allows us to reduce our upstream emissions while presenting us with new business opportunities and adding resiliency 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. As our program matures, we will seek to quantify our Scope 3 emissions.

Impact on Financial Planning

Our business strategy focuses on creating value and being a leading global manufacturer and marketer of colors, flavors, and extracts. 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. Started in 2021, each capital allocation 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 emissions rather than purchasing carbon credits, entering into virtual PPAs, or other indirect offsetting. Although this limits the magnitude of reduction mechanisms available, we remain vigilant in 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 and prompting consideration of alternatives.

- 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.

Impact on Strategy

This year we conducted a materiality assessment to identify which ESG-topics, including climate-related risks and opportunities, are the highest priority to our business and our stakeholders. This assessment helped shape our Sustainability Strategy and will help shape our performance objectives going forward.

See <u>Materiality Assessment</u> for more information.

In 2021, our Board of Directors approved our Sustainability Strategy. The strategy includes four pillars: (1) reducing our greenhouse gas emissions, (2) increasing water efficiency, (3) reducing waste, and (4) building a more sustainable supply chain. Each of these pillars include strategic initiatives that we will pursue to help us reach our sustainability targets and goals. See <u>Our Environment</u> and <u>Supplier Engagement</u> for more information.

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. We are developing product innovations with lower environment impacts across the value chain and less water in use. 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.
- Sensient is well equipped to handle a variety of • Our *Flavors* business, in parallel with our *Food* different climate-related scenarios, reflecting Colors business, continues to expand their the resiliency of our Sustainability Strategy. "clean label" library of products. Products As Sensient's flexibility during the COVID-19 with a cleaner label and familiar ingredients pandemic continues to demonstrate, we seek are often seen as more premium. Sensient to be well prepared to quickly adapt to possible continues to develop numerous cleandisruptions or problems caused by climate change label products and alternatives to synthetic or government regulation imposed to combat products, including plant-based protein climate change. To further understand the impact solutions, palm free natural flavors, and dairyclimate change could have on Sensient's business, free products. we intend to evaluate potential climate scenarios this upcoming year.

- 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 Extract business works to decrease the Company's carbon emissions by utilizing clean extractions with our patented technology, PhytoClean[™].

s. Climate Scenario Planning



WHERE WE WILL GO IN 2022 AND 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 virtual power purchase agreements (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, we performed uncertain process. an assessment and determined that roughly 85% of our annual Scope 1 emissions come from stationary combustion, which is largely from our industrial, to reduce our Scope 1 emissions as a result of the natural gas powered dryers. Dryers are used efforts described above. We would hope to get at throughout our manufacturing plants to convert our products from liquid to powdered products, say with any reasonable degree of certainty given or in the case of our Natural Ingredients business, the massive complexity of the problem. to dehydrate garlic, onion, capsicums, and other vegetable products. Our customers demand these **Electrify Natural Gas Powered Equipment.** dry products for their applications and transporting Most significantly, there is a limit to what we can do alone. Ultimately, we see two long-term solutions to liquid products is significantly more costly and carbon intensive. Consequently, to actually reduce our Scope 1 the Scope 1 emissions of our dryers. emissions, we need to address our dryers.

Increase Equipment Efficiencies and Production Efficiencies.

First, we could convert our natural gas powered equipment to electrical equipment. Today, however, there are not electric powered versions of most of the The best short-term strategy to reduce our types of dryers we need. We will have to depend upon greenhouse gas emissions incorporates a mix of others to develop those electric models. Moreover, equipment and production efficiency improvements. even if we could convert to electric dryers today, we would need roughly 50% more energy to power the In 2022, we will be working 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 Color facilities. However, changing federal regulations is a long and

We are not precisely sure how much we will be able least a 5-10% reduction. However, we simply cannot



electrical dryers and there is an insufficient amount of renewable power available in the markets in which we operate these dryers. 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 gualifications of our processes. We are exploring power purchase agreements 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 we must depend upon others, again, to develop and perfect this technology.

Reduce Scope 2 Emissions.

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 an electrical grid sourced primarily through renewables, a future in which we achieve zero CO2 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 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 financially feasible 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 PPA.

Six of our 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.

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 **Design, Including Waste Generation, Water** not believe that the current methodologies used to Usage, And Energy Demand. calculate Scope 3 emissions utilize the accuracy and Our technical departments will continue to work rigor required to be included in our publicly reported with our production facilities and sourcing experts to data. We will continue to evaluate methodologies develop upcycling options for commonly used raw for calculating Scope 3 emissions with a view toward materials. Additionally, we are working to integrate establishing a baseline in the years to come or as sustainable product design elements concepts required by applicable law. into the first stages of product design, including expanding our creation of low-carbon products such Engage our Supply Chain. as plant-based foods and drinks.

This year we began engaging with our suppliers on ESG-related topics to better understand their **Transition To Low-Carbon Products.** environmental footprint and where they are in their Failure to transition from carbon-intensive products sustainability journey, and the level of disclosures we and operations could affect our ability to win future expect from our suppliers will continue to grow. As we business and realize future growth opportunities. We continue to expand our engagement activities, we will will continue to innovate our product offerings and work in collaboration with our key suppliers to reduce develop quantified product carbon scores. emissions throughout our value chain.

Source our Ingredients Sustainably.

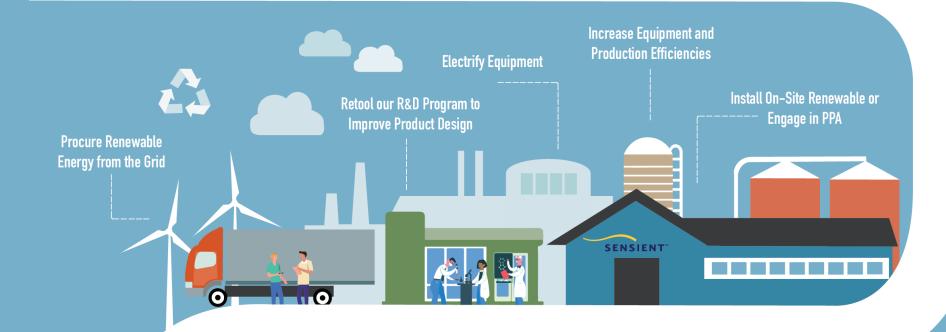
We will partner with growers to improve soil health, agroforestry, and shade management as well as to prevent and remediate land use change and deforestation. We will also work with growers to improve soil health in order to enhance our ability to pull carbon out of the atmosphere and store it underground 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 which comes from agriculture.

Reduce Emissions through Product Design.

Retool Our R&D Program To Improve Product

While we aspire to halve our emissions by 2030 and eliminate them by 2050, we do not intend to make any promises to reach goals where our ability to reach those goals is completely contingent upon developments that are outside our control. We will endeavor to get to these goals, but we simply cannot promise to reach them.







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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.

Once approved, the Company implements the risk In discharging its risk oversight responsibilities, response plan. The Nominating and Governance the Nominating and Governance Committee also Committee periodically reviews the effectiveness of speaks periodically with the General Counsel, who the plan in delivering the intended risk reduction monitors climate-related lawsuits filed against other and addresses any shortcomings in the procedure corporations, to identify any developing risks. to manage the identified risks. If any shortcomings are recognized, the Nominating and Governance Climate risks are assessed based on the magnitude Committee requests that management formulate an and likelihood of impact, potential financial impact, amended response or action plan. return on investment, scale of capital costs, or operational expenditures and potential for disruption Integration with Enterprise Risk 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.

Management

The identification process for climate-related risks and opportunities is incorporated into the larger risk management framework of the Company. The Risk 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 **METRICS & TARGETS**

Metrics

As previously noted, with the preparation of this 2021 Sustainability Report, Sensient has endeavored to prepare our disclosures in line with the SASB standard for Chemicals.

This year, we introduced our first sustainabilityrelated performance metrics into our compensation incentive structure for leadership. The Compensation and Development Committee introduced a wastereduction management incentive program for key business leadership in order to further 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

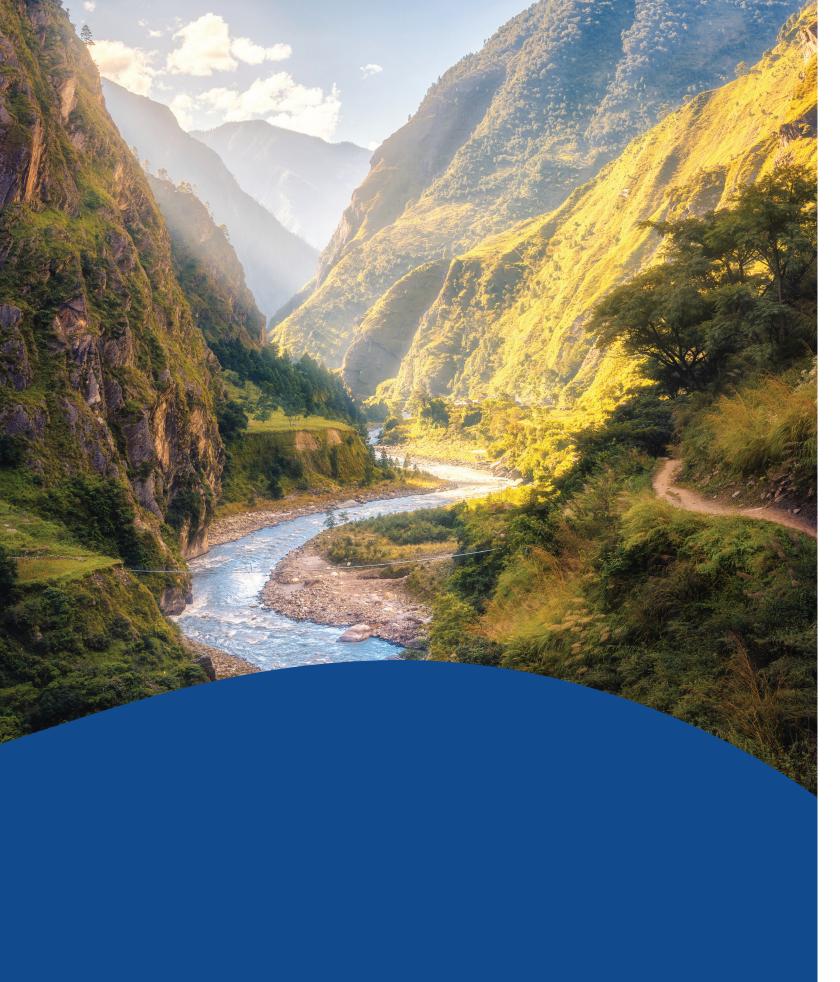
During 2021, Sensient directly emitted approximately 150,000 metric tons of CO2e (Scope 1 emissions). Sensient indirectly emitted approximately 61,000 metric tons of CO2e (Scope 2 emissions), primarily through purchased electricity. Our data was gathered manually in 2021 and is based upon industry accepted greenhouse gas calculation methodologies, which we developed in cooperation with our outside advisor. We will continue to refine and automate our data collection and emissions calculations methodologies.

SASB Disclosures

- This is the second year that Sensient has endeavored to disclose under the SASB standards. SASB standards are 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.

augment our disclosure in the future.

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



APPENDIX

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) TABLE

The table below contains SASB's topics for the Chemicals industry standard, along with a description of Sensient's response for each topic.¹ As this is our second year reporting, we do not fulfill the disclosures for all topics, 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 available data most closely aligned with each metric.

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 150,000 metric tons of carbon dioxide equivalents (CO₂e). 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>Greenbouse 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 CO₂e 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>²
	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>Climate</i> -Related Risks and Opportunities.

¹ Unless otherwise noted, responses relate to our global manufacturing footprint and incorporate the best

available information at the time of publication of this report. ² As of the publication of this report, greenhouse gas emission data have not undergone third-party assurance review.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (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	 Total energy consumed: Approximately 2,900,000 GJ. Percentage grid electricity: Approximately 16%. Percentage renewable: Approximately 4% (based on contractual agreements and/or energy mix information provided by our electrical providers). Total self-generated energy: Approximately 190 GJ. See also section on <i>Our Environment</i>.
(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	 Total water withdrawn: Approximately 3,600,000 cubic meters (approximately 36% from regions with High or Extremely High Baseline Water Stress). Total water consumed: Approximately 750,000 cubic meters (approximately 32% from regions with High or Extremely High Baseline Water Stress).³
Water Management	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 2021.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT- CH- 140a.3	See section on Our Environment.
			Amount of hazardous waste generated: Approximately 290 metric tons.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT- CH- 150a.1	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.

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

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
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>Social Responsibility and Human Rights Policy.</i>
Workforce	 (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees 	RT- CH- 320a.1	 (1) TRIR: 2.4⁴ (2)(a) Direct employee fatality rate: 0 (2)(b) Contractor fatality rate: 0
Health & Safety	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> .
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>Our Products</i> and <i>Our Environment</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 educed human and/or environmental impact	RT- CH- 410b.2	See section on <i>Chemical Risk Strategy</i> .

⁴ 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.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
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 and 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 rulemaking at the state and federal level. Carbon-pricing regulation, 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 change. 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 for Sensient to grow its business and continue being a leader.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
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 2021.
a response	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.

ACTIVITY METRIC	CODE	RESPONSE OR CROSS-REFERENCE
Production by reportable segment	RT- CH- 000.A	Not disclosed.

		Non Hispanic or Latino													
		oanic atino	Male						Female						
EEO Job Category	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	America Indian or Alaskan Native	Two or More Races	Overall Totals
Executive/SR Officials & Mgrs	2	0	19	1	0	1	0	0	4	1	0	0	0	0	28
First/Mid Officials & Mgrs	24	7	169	5	0	18	1	5	85	2	0	6	0	0	322
Professionals	10	8	92	6	0	24	0	3	80	5	0	27	0	6	261
Technicians	2	3	10	2	0	3	0	0	33	3	0	2	0	1	59
Sales Workers	0	2	24	1	0	0	0	1	30	1	0	5	0	1	65
Administrative Support	6	16	20	2	0	0	0	3	54	8	1	2	0	3	115
Craft Workers	8	0	48	1	0	1	0	1	0	0	0	0	0	0	59
Operatives	59	9	196	100	2	10	0	5	13	10	0	2	1	0	407
Laborers & Helpers	88	98	139	14	1	8	0	3	22	6	1	6	0	1	387
Service Workers	0	0	10	0	0	0	0	0	1	0	0	0	0	0	11
Total	199	143	727	132	3	65	1	21	322	36	2	50	1	12	1714

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Date of Payroll Period: 12/15/2021 thru 12/31/2021.

*This report is not certified and has not been finalized or filed with the U.S. EEOC; Sensient will complete and file a final 2021 EEO-1 report when the EEOC begins collecting the information, anticipated in April 2022.

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