
We Bring Life
To Products™

2023

SUSTAINABILITY REPORT



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Message from the CEO

Welcome to Sensient Technologies Corporation's 2023 Sustainability Report

In this report, you will find annual highlights of our actions related to our commitment to sustainability. All of our sustainability efforts remain grounded in our Corporate Creed:

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

We continue our long-standing commitment to operating in a legal, ethical, and responsible manner with a strong emphasis on corporate responsibility and fostering sustainable business practices. We only make promises we intend to keep. 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, as provided under Wisconsin corporate law, our Board of Directors remains dedicated to considering the effects of its actions on shareholders as well as our employees, suppliers, customers, and the communities in which we operate. While nothing is possible without strong financial performance, consideration for all of our stakeholders continues to be essential to our practices.

In 2023, our sustainability efforts were focused on the goals defined in our corporate sustainability strategy:

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



INTRODUCTION

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

Of course, we must depend upon others to design more cost-effective electric dryers that meet our process needs, to develop a renewably sourced power grid, to update and upgrade the power grid to sustainably operate a more heavily electrified world, and to create commercially and financially viable point-of-emission carbon capture technology.

We engage with our power suppliers as well as OEMs to make sure we are always seeking out new opportunities and also communicating our needs. We have incorporated sustainability considerations into our capital expenditure process. We will endeavor to remain careful to communicate when our ability to reach our goals may be contingent upon developments that are outside our control. Accordingly, while we can strive to reach net zero emissions in the future, we cannot and will not promise to do so until we are certain we can control that outcome. To do otherwise would be misleading and irresponsible.

There is no question that we are at an inflection point in terms of sustainability reporting. With new regulations like the EU’s Corporate Sustainability Reporting Directive and California’s climate bills – as well as the final SEC regulations – adding to the ongoing reporting requirements and due diligence regulations, there is little doubt that we will face greatly increased compliance and reporting costs. In a world of limited resources, these costs will necessarily have an impact on our sustainability strategy priorities.

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

On behalf of the Board of Directors, I thank Sensient’s shareholders, employees, customers, suppliers, and local communities for your ongoing support of our efforts and commitments. I continue to have high expectations for Sensient and look forward to continuing to update you on our efforts..

Sincerely,



Paul Manning
Chairman, President, and Chief Executive Officer

About This Report

Sensient Technologies Corporation’s 2023 Sustainability Report documents Sensient’s sustainability performance from January 1, 2023 through December 31, 2023, 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 sustainability initiatives to respond to stakeholder requests, and to further enhance our collective understanding of sustainability 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, 2023. 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.

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. We are dedicated to upholding the highest standards of integrity, safety, and professionalism.



Footprint

Over 40 manufacturing and research and development (R&D) locations in more than 20 countries as of December 31, 2023.



History

More than 140 years of growth and innovation.



People

Nearly 4,000 employees serving customers in more than 150 countries.



Research

\$48.1 Million allocated toward R&D in 2023.



Stewardship

More than \$690,000 donated to children's health care, education, and other worthy causes in 2023 through the Sensient Foundation.

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

What We Do

Color Group

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



Core Areas of Focus:

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

Flavors & Extracts Group

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



Core Areas of Focus:

Flavors and Extracts, Natural Ingredients, and Other Flavor Ingredients.

Asia Pacific Group

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



Core Areas of Focus:

Flavors and Colors for Food and Beverage.

Maintaining our strong culture is critical to everything we do as a business.

What We Value

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

Always Tell The Truth.

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

Always Produce Safe, High-Quality Products in Safe & Secure Facilities.

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

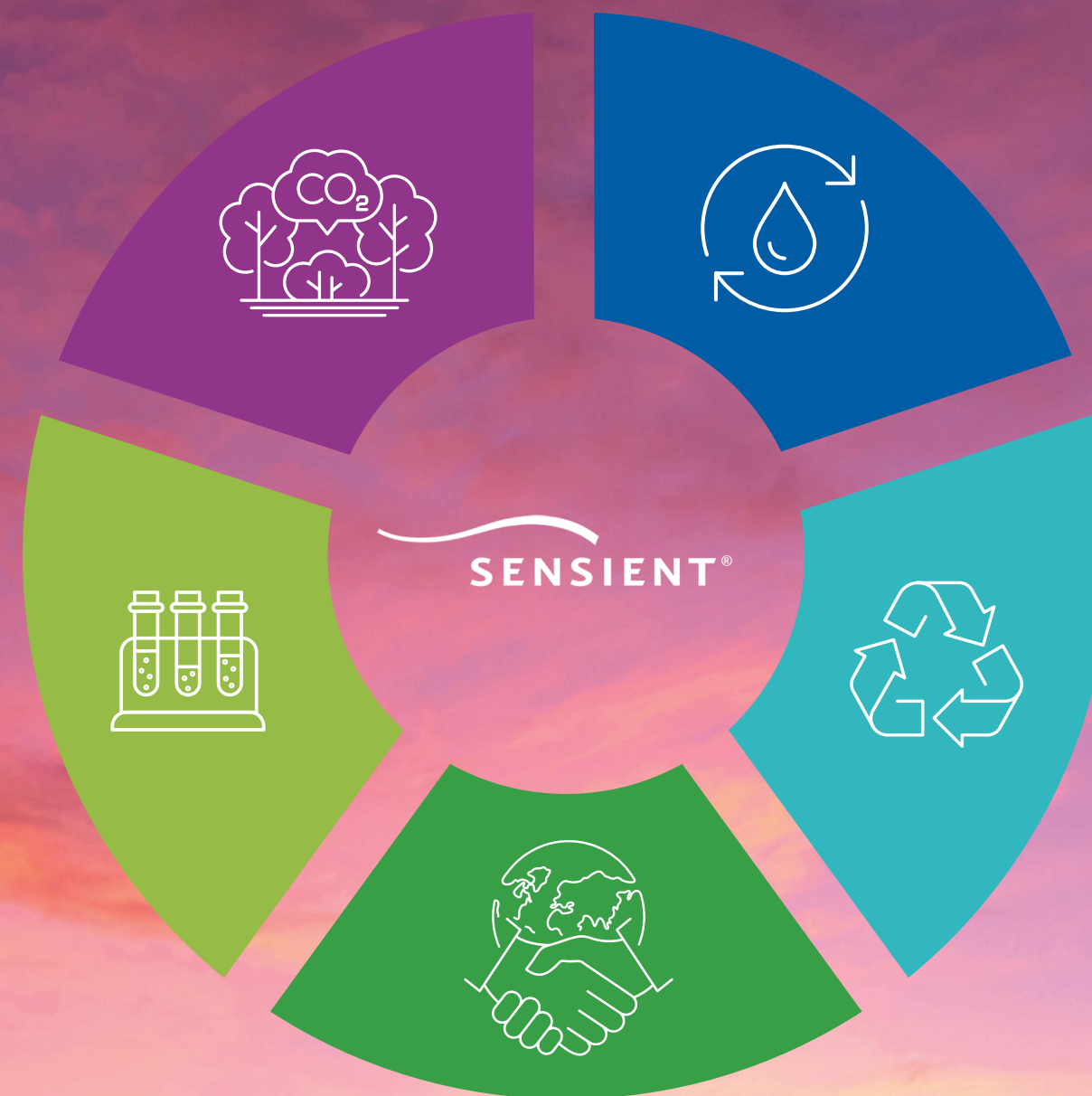
Always be Professional.

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

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

Our Commitment to Sustainability

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.



Materiality Assessment

In 2023, we continued to structure our Company-wide sustainability strategy through the priorities set by our materiality assessment conducted in 2021—which is a much broader standard than that used in our financial disclosures¹.

Through our materiality assessment, we identified topics that are significant to both our business and our stakeholders and used the results to objectively define how we manage and measure our performance. The findings then informed both the context of our annual Sustainability Report and our Company-wide Sustainability Strategy, which is integrated into our overall business strategy.

Material Topics

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

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

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

Materiality Matrix



ENVIRONMENTAL

- 1 Energy Efficiency
- 2 Greenhouse Gases
- 3 Water
- 4 Waste
- 5 Air Quality
- 6 Regenerative Agriculture
- 7 Environment Management System

SOCIAL

- 1 Workforce Health & Safety
- 2 Human Capital Management
- 3 Human Rights / Child Labor
- 4 Chemical Management
- 5 Grants / Donations
- 6 Volunteering / Community Engagement

GOVERNANCE

- 1 Business Ethics & Legal Compliance
- 2 Risk & Crisis Management
- 3 Cybersecurity
- 4 Transparency

OTHER

- 1 Product Innovation
- 2 Responsible Sourcing
- 3 Circular Design
- 4 Evaluation of Supplier Sustainability
- 5 Biodiversity

Corporate Sustainability Strategy

Sensient has a strong record of legal and environmental compliance and dedication to human rights. Our products are principally used in food, pharmaceutical, and personal care products and generally have a low environmental and social impact. However, the environmentally friendly nature of our products and our compliance record will not be enough to meet future sustainability requirements. Sensient has developed and prioritized a Sustainability Strategy comprised of five pillars with practical, attainable goals and milestones that will simultaneously sustain the growth and profitability of the business and direct us toward a lower impact, more-resilient future.

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


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 electric energy sources become cleaner and technology becomes available and more cost effective, we will invest in energy-efficient and electrified production equipment where we can. We will also continue to look for technologies that are not currently viable to scale or do not yet exist, such as point-of-emission carbon capture technology. We will continue to endeavor to source as much power from sustainable sources as we believe is financially and physically feasible and prudent.


Disclosure Frameworks & Rating Agencies

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

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




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


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


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


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


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

See individual sections on each pillar below for further details

*Baseline 2020

Decarbonization

Addressing the challenges of climate change and greenhouse gas (GHG) emissions is a critical component of Sensient's strategy.

Our GHG emissions are primarily generated by the use of electricity and combustible fuels that power our equipment. To minimize this energy use, our Pillar 1 strategy incorporates technological, procedural, agricultural, and regulatory approaches, including our initiatives around solar energy, farming best practices, and product design procedures that inspire low-carbon innovation. We maintain a robust environmental management system, including a cloud-based data collection platform, to accurately track the results of our efforts (which are disclosed in this report) and identify opportunities for improvement.

Target

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

Strategies, Initiatives & Priorities

- Increase share of electrical power consumed from renewable sources when available and cost effective
- Perform internal optimization audits on manufacturing equipment and seek out operational efficiencies
- Change equipment and production processes to utilize green(er) technologies
- Explore “natural climate solutions” (e.g. regenerative agriculture, conservation efforts, etc.)
- Explore carbon capture and storage options
- Conduct a baseline assessment and tracking process for scope 3 emissions

2023 Results

	2020 ² (Base year)	2023
Carbon intensity of scope 1 and scope 2 greenhouse gas emissions (over revenue)	0.158	0.146

²Prior years have been restated to adjust for acquisitions, divestitures, and changes in methodology that occurred between 12/31/2020 and 12/31/2023, pursuant to the GHG Protocol.

Please see [Appendix 1](#) for more details on our greenhouse gas emission data.

2023 Decarbonization Projects

Initiatives For Decarbonization Included:

- Scheduled boiler and steam system upgrades and optimization, which resulted in estimated emissions reductions of around 3,000 MT CO₂e globally
- Installation of more efficient dryers and boilers; one Flavors facility saved over 300 MT CO₂e with upgrades to two of their dryers
- Installation of electric dryers within our Natural Ingredients and Personal Care businesses
- Installation of equipment that recycles heat within our boilers, resulting in savings of up to 400 MT CO₂e per install
- Optimization of manufacturing procedures led by our Kaizen teams
- Manufacturing procedure redesigns to reduce process times and improve yield, thereby reducing energy consumption per batch
- Installation of additional electricity meters to improve our monitoring and management capabilities
- Realization of agricultural efficiencies by developing seeds with higher flavor or color content (such as onion solids and EV levels in carrot varieties used for food colors) and, thus, improving resource and energy efficiency and reducing impact per yield
- Realization of agricultural efficiencies by optimizing the width and position of crop beds
- Regenerative agriculture practices (see the section on “Sustainable farming” in Pillar 4)
- Reduction of transportation emissions by purchasing local ingredients and improving capacity to produce locally and in-house
- Reduction in the number of shipments necessary to ship our products and supply our facilities by converting to easy-pack packaging and making larger raw material orders when feasible
- Evaluation of all capital expenditure requests using our internal sustainability calculator

Please see [Where We Will Go in 2024 and Beyond](#) for more details on our transition to a low carbon economy.



SPOTLIGHT
Scope 2 Solutions

Transitioning to electric power isn't always enough. For electrification to be a feasible strategy, we first need to pursue efficient, renewable, and, most critically, reliable electricity. This is where Sensient has set its course in the pursuit of scope 2 solutions.

Both our short- and long-term decarbonization strategies include initiatives to address the sources of major electricity usage throughout our operations from low-hanging fruit like the transition to LED lighting and HVAC upgrades to significant capital projects like solar panels and high-efficiency combined heat and power plants. As of the publication of this report, three of our 32 manufacturing facilities have solar panels on site, another seven sites are in the process of implementing solar, and another six sites procure energy from a grid that is 85% or more renewable. We are actively working to grow this list. As energy sources become cleaner and more reliable, opportunities for decarbonization become more attainable.

Water Stewardship



Water sits at the forefront of Sensient’s daily operations.

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

In an increasingly water-constrained world, one of our top priorities is to understand where and how water risks may affect our operations. Each year, we assess our company-wide water usage and inventory our usage in areas of potential water stress using the World Resources Institute’s (WRI) Water Risk Atlas tool, Aqueduct. We prioritize our water conservation efforts at those sites categorized as having the highest water stress levels.

Targets

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

Strategies, Initiatives & Priorities

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

2023 Results

	2020 ³ (Base year)	2023
Total water withdrawal globally (in million m³)	3.83	3.49
Water withdrawal from high or extremely high baseline water stress regions (in million m³)	1.07	1.04
Percentage of water coming from high or extremely high baseline water stress regions	27.8%	29.8%

³Prior years have been restated to adjust for acquisitions and divestitures that occurred between 12/31/2020 and 12/31/2023 and for an updated assessment of water stress by the World Resources Institute's Aqueduct Water Risk Atlas tool. For improved comparability, we used the 2023 water risk assessment for both the 2020 and 2023 data when categorizing sites as having high or extremely high water stress.

Please see [Appendix 2](#) for more data on our water withdrawal and use.

2023 Water Stewardship Projects

Initiatives For Water Stewardship Included:

- Prioritization of sites in areas categorized as having high or extremely high water stress levels
- Installation of new water-efficient technology
- Installation of more water meters for improved tracking
- Additional training for employees on how to efficiently use and monitor water
- Agricultural water efficiency through drip irrigation, in partnership with our agricultural suppliers
- The reuse of 100% of our process rinse water in our Natural Ingredients business to irrigate crops at local farms
- Adjustments to the product mix of some business units to focus on less water-intensive products
- Changes to cleaning procedures to improve the quality of wastewater and, thus, reduce the water and energy needed for filtering and dilution



SPOTLIGHT
A Trident Strategy
for Water Reduction

Our Harbor Beach, Michigan facility has shown significant progress in achieving our water stewardship goals by using a three-pronged approach consistent with our global strategy:

- 1. Reduce the water used to cool equipment by adopting multi-pass cooling technology
- 2. Reduce the water used to clean equipment by implementing clean-in-place technology and efficient sprayers
- 3. Reduce the water used to prevent the emission of particulates by automating our scrubbers

With this strategy, the site has seen water savings of more than 90,000 m³ in 2023 and expects to ultimately cut total water withdrawal by over 40% (that's 200,000 m³ of annual savings) compared to 2022. Our Harbor Beach facility is not alone. Other Sensient facilities globally have begun installing multi-pass cooling systems, transitioning to clean-in-place technology, and updating the controls on scrubbers, all contributing to our target of 30% reduction by 2030.

Waste Reduction



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

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

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

Target

Increase average landfill diversion⁴ to 75% by 2030

Strategies, Initiatives & Priorities

- Seek out new ways to upcycle unused products and byproducts
- Explore packaging solutions with reduced waste footprints
- Test the biodegradability of new and existing personal care products
- Recycle and upcycle as much waste as possible with the objective to establish Zero Waste to Landfill facilities where feasible

2023 Results

WASTE (METRIC TONS)	2020 ⁵	2023
Nonhazardous Waste	39,864	46,656
Recycled/Reused	1,417	10,848
Composted/Organic Recycling	24,145	23,064
Incineration	0	3
Landfill	14,302	12,741
Hazardous Waste	847	553
Recycled/Reused	651	372
Incineration	123	145
Landfill	74	36
Landfill Diversion % ⁴	64.7%	72.9%

⁴We define landfill diversion as the ratio of the amount of Sensient-generated waste that is managed through recycling, upcycling, or incineration to the total amount of waste that we generate, on a mass basis. For purposes of this metric, we exclude wastewater and wastewater pretreatment residuals.

⁵Prior years have been restated to reflect adjustments for error correction and an overall improvement in data quality and collection.

Please see [Appendix 3](#) for more data on our waste management.

2023 Waste Reduction & Upcycling Projects

Initiatives For Waste Reduction Included:

- Partnership with waste experts to divert waste from landfills; in the past year, our St. Louis facility increased its landfill diversion from 18% to 46% as a result of such a partnership
- Improved recycling programs; for example, our site in Italy increased wooden package recycling by 83% and metal package recycling by 19% in 2023, resulting in an additional 44 tons of waste saved from the landfill
- Conversion to packaging with less virgin material, such as eco-design stretch wrap, recycled ocean plastic courier bags, or bulk-style packaging
- Conversion from plastic containers to recyclable cartons where feasible; our facility in Australia saved 24 tons of plastic with this strategy
- Partnership with our suppliers to improve the recyclability of the packaging shipped to us
- Internal packaging reuse
- Equipment improvements to reduce loss of product during production



SPOTLIGHT
The Circular Economy

Sensient’s primary strategy for waste management is upcycling – the principal embodiment of the circular economy. As a company directly involved in the agriculture industry, we recognize the opportunity for products that begin and end on the farm or the field with minimal waste and maximum utility. Take our Natural Ingredients business for example, where we process raw agricultural commodities like onion, garlic, peppers, parsley, and other vegetables into high-quality ingredients. What isn’t transformed into a high-quality product is returned to the farm as soil amendments and nutrients. Organic wastes produced at some of our businesses can even be turned into new products. In 2023, 7,000 tons of organic waste produced at two of our Flavors facilities was sent to local animal feed manufacturers, reducing waste and multiplying utility. Finally, Sensient makes a number of products that are designed to upcycle ingredients that would have otherwise gone to waste, including elderberry extracts, annatto seed oil, aloe-based personal care products, biostimulant solutions like Bloomgenix™, and more. Because of these efforts, 45-50% of all of our waste can avoid the landfill and find new life in a value-added product or process.

Sustainable Supply Chain



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

Target

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

Strategies, Initiatives & Priorities

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

Supply Chain Risk Management

Supply chain risk management has grown to critical importance in the light of a number of high-profile events that have created ripple effects in the marketplace over the last several years. In response to the growing risks of such disruptions, Sensient has elevated the importance of supplier relations and risk preparedness.

Supplier Expectations

Sensient’s commitment to responsible production goes beyond our operations. To ensure our suppliers share our commitment to sustainable business practices, we present clear expectations and policies as a basis of our relationship.

Supplier Code of Conduct

We request our suppliers to provide written acknowledgment of our Supplier Code of Conduct. In doing so, they commit to ensuring integrity through compliance and business ethics; respecting human rights, people, and health and safety; respecting the environment and protecting biodiversity; respecting and positively impacting the communities in which they operate; and ensuring continuous improvement. For more information, please see the expectations listed in our Social Responsibility & Human Rights Policy at the end of our [‘Labor and Human Rights’](#) section.

Sustainability Questionnaire

We have asked our key suppliers to complete a Sustainability Questionnaire containing disclosures around traceability, human rights issues, and energy, waste, and water usage. This exercise has given us a general baseline of where our key suppliers are in their sustainability journey and has signaled to our suppliers that this is an increasingly important issue to Sensient. We will eventually expand our requirement for disclosures to be reported in line with applicable reporting regulations and global disclosure frameworks.

Vendor Screening and Prioritization

Many of our sites use Supplier Audit Questionnaires and Raw Material Questionnaires for new vendor qualification. These solicit certain information concerning the environmental footprint, social compliance, traceability, and sustainable sourcing of the specific products we are looking to source. In addition, our agronomy team maintains a sourcing department dedicated to visiting potential suppliers on-site to assess the health and safety of their working environments and ensure that the quality of their products meets Sensient standards.

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.

Supplier Compliance

We 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 February 2024), 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.

As we continue to build a more sustainable supply chain, we will be increasing the number of environmental- and human rights-focused audits our suppliers must conduct through third-party services and platforms like SEDEX, as well as the number of on-site supply chain due diligence inspections performed by Sensient’s own sourcing teams.

Raw Material Risk Assessment

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 and raw material screening programs designed to exceed industry standards. When assessing the risk of raw materials, we utilize guidance and definitions from regulatory bodies such as the FDA and partner with third-party organizations when feasible and reliable. Below are some examples of the actions we have taken as a result of our raw material risk assessments.

Palm-Free Natural Food Colors & Flavors

Palm oil production has skyrocketed over the past 20 years. It is now the world’s most widely produced vegetable oil because of its favorable properties (e.g., low in saturated fat, contains no trans fats, and is extremely stable) and its low cost. Palm oil is found in nearly every food and beverage category. In natural food colors and flavors, it is often used as a carrier. The rapid expansion of palm oil plantations, however, has raised concerns regarding deforestation and wildlife habitat preservation.

To combat these concerns, Sensient’s research and innovation teams have developed a broad library of sustainable and environmentally friendly natural color options that do not require palm oil-based products. These innovative natural color options are free of all palm-derived components, including the active pigment. In extensive stability testing, the new palm-free natural colors have proved effective against color degradation, making them ideally suited for food and beverage applications. From a coloring perspective, palm-free formulations can be used as a sustainable alternative because they do not differ in shade or appearance.

In addition, several Sensient business units across 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. 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. As part of this initiative, Sensient’s Personal Care business encourages the mica processors belonging to its organization’s supply chain to participate in an external audit under the Global Workplace Standard for Mica Processors. In 2022, 90% of our mica volumes from India were from clearly identified mines with no child labor issues.

Certified Cocoa & Vanilla

This year, two Sensient sites were Rainforest Alliance Certified for their cocoa and vanilla supply chains. Sourcing certified cocoa and vanilla is a key step to achieving our vision for a more sustainable supply chain, which is why our flavors site in Belgium sources its cocoa from Rainforest Alliance Certified farms and our flavors site in Milton Keynes sources its vanilla from Rainforest Alliance Certified farms (www.ra.org).

The Uyghur Forced Labor Protection Act (UFLPA)

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

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.

Conflict Minerals

Conflict minerals refer to minerals extracted in regions suffering from conflict and unrest, the extraction and sale of which are potentially linked to violence. Sensient has an obligation to determine whether our products contain conflict materials from covered countries. To determine this, Sensient conducts a reasonable ‘country of origin’ inquiry in good faith each year to determine the origin of any conflict minerals necessary to the functionality or production of products manufactured by Sensient or contracted to be manufactured by Sensient. We disclosed our findings for FY22 in a Form SD filed with the Securities and Exchange Commission on May 25, 2023. 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, but we have no reason to believe that these conflict minerals may have originated in the Democratic Republic of the Congo or an adjoining country.

TRASCE

Sensient’s Personal Care business is part of a consortium of 15 cosmetics industry companies that created the Traceability Alliance for Sustainable CosmEtics (TRASCE) to enhance traceability in key ingredient and packaging supply chains across the industry.

Product Safety & Traceability

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

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

Responsible Sourcing

At Sensient, responsible sourcing means a commitment to quality and safety, which begins from the planting of the seed to the creation of the product sitting on a customer’s shelf. With approximately 2,500 raw material suppliers and 4,500 other indirect material and service providers contributing to Sensient’s production, our commitment to quality and safety in the supply chain reaches far.

Our primary strategies for maintaining responsibly sourced ingredients include:

- a thorough understanding and management of supply chain risks (as addressed in the previous section);
- detailed knowledge of our supply chain from our expert procurement and sourcing teams;
- enhanced transparency through vertical integration where feasible;
- internal inspection and certification programs regarding safety and quality; and
- transparent and collaborative relationships with our suppliers.

Traceability

To achieve the high-levels of traceability both regulators and consumers desire, Sensient’s sustainable procurement strategy leverages increased vertical integration where possible. This means we design supplier programs (such as the Seed-to-Shelf Program featured in the spotlight) that allow us to 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. As a result, our global agronomists have visibility across our entire natural supply chain from the initial seed technology stage to the production floor.

Additionally, our traceability strategy helps mitigate potential risks to our supply chain that may result from climate change, weather disruptions, or political disruptions. If a disruption were to occur, we generally have redundancies in place to help ensure that our supply chains are secure in order to continue to supply our customers. We endeavor to identify multiple growers, often in geographically diverse areas, and to use a combination of longer-term and short-term contracts to minimize the possibility of supply chain disruption to both Sensient and our suppliers.

Quality Assurance

While market conditions have led to a rise in economically motivated adulteration in the food industry, Sensient is steadfast in our commitment to use only quality raw materials from strictly qualified sources. The strategies and programs we use to ensure the safety and sustainability of our sources are the same ones we use to assure the premium quality that built Sensient’s exceptional reputation. We maintain good manufacturing practices and food safety standards to help ensure that our procurement and production processes are safe, from the arrival of raw materials to the shipment of our finished products.

This is especially notable in the world of natural colors, where Sensient has developed a comprehensive certification program to test and verify the quality of colors derived from plant sources. Approximately 80% of food color products launched globally today use natural colors or coloring foods, and as consumers around the world continue to transition away from certain types of additives and toward more natural options, it is even more critical for Sensient to provide innovation and transparency across the natural color value chain.



SPOTLIGHT
Seed-to-Shelf™ Program

Our “Seed-to-Shelf” program is a comprehensive global strategy to understand and have direct involvement in all aspects of our natural raw materials – from planting the seeds to growing, harvesting, processing, and selling the natural colors and coloring foods that ultimately end up on the store shelf by way of our customers’ final products. This strategy further vertically integrates our supply chain and enhances our ability to provide food and beverage manufacturers with better natural colors through our agronomy technology, quality and safety controls, and process engineering expertise.

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

- 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
- Improved resource efficiency as agronomists increase pigment content levels in key color crops
- A reliable and more consistent supply due to a multi-region planting program
- Ability to positively impact local communities with programs that benefit local economies in a socially responsible manner

CertaSure™ Certification Program

Food safety is a core component of Sensient's Corporate Creed. We have long recognized that 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 regulatory testing regime for natural colors. There is also a lack of agreement regarding appropriate methods and standards for testing the purity of the natural colors despite the fact that contaminants of various kinds can be found in many of the raw materials used for natural colors. As just one example, lead is commonly present in low-quality turmeric powders because a large amount of turmeric is grown in soil with a high-lead content in parts of China and India; this has led to multiple companies in the U.S. conducting voluntary recalls of products containing turmeric in recent years.

To address this concerning regulatory and product safety gap, Sensient sponsored a blue-ribbon panel of academic and industry experts to discuss and design quality attributes and potential safety hazards affecting food colorants from natural sources. This panel's work culminated in a whitepaper entitled "Establishing Standards on Colors from Natural Sources," which was the feature article of The Journal of Food Science's November 2017 issue. Based on the recommendations of the expert panel, Sensient created a comprehensive certification program for colors derived from plant sources that combines stringent quality testing, comprehensive vendor certification, full raw material traceability, and good manufacturing practices to ensure that colors from natural sources meet all necessary safety and authenticity requirements. CertaSure aims to ensure that consumers receive safe, quality products free of harmful contaminants such as pesticides, heavy metals, unauthorized solvents, and pathogens.

Our rigorous CertaSure testing protocols exemplify our commitment to guarantee safe natural color solutions. For example, whereas pesticide testing in the food industry typically includes between 170 and 220 different pesticides, Sensient's CertaSure pesticide testing protocols screen for more than 500 pesticides. We also go above and beyond typical industry standards for detection of heavy metals, microbiological contamination, and unauthorized solvents, and we utilize an international food safety platform to identify new food contamination and adulteration threats so we can include them in our testing protocols. Sensient's adulteration screening process ensures all of our incoming natural raw materials are free from contaminants or adulterants like synthetic dyes or other additives that may be 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 has detected and rejected 90% of the tested paprika batches in a recent three-year period due to the presence of pesticides. Overall, one in four food products found in the market failed Sensient's testing protocols based upon the presence of microorganisms, adulteration, heavy metals, pesticide, and/or residual solvents. Given the recent surge in prices of food and food ingredients, it is even more imperative that programs like CertaSure are in place to monitor product quality and economically motivated adulteration.

Sensient's CertaSure program strives to provide food manufacturers safe products and full brand protection. To our knowledge, Sensient is the only food color company that adheres to CertaSure standards.



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

Sustainable Agriculture

Our accredited global agronomists 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 them to produce ingredients that meet our strict quality and safety 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.

These methods include:

- 1. regenerative agriculture techniques that prioritize soil health and the use of marginal agricultural lands that are generally inhospitable to other crops;
- 2. proprietary seed programs dedicated to non-GMO plant breeding techniques that produce better yield and better agronomic traits, which decrease reliance on chemicals and minimize the use of valuable land, water, and energy;
- 3. collaboration with partner farms to install innovative technologies and implement sustainable practices that make agriculture sustainable, convenient, and effective; and
- 4. habitat conservation and reforestation through strategic partnerships.

We are grateful for our agronomy teams who are dedicated to these efforts and help bring our vision for natural and restorative production to life.

SPOTLIGHT
Farming in the Philippines

The Annual Sensient Butterfly Pea Flower Award is a coveted prize in the agricultural community of the Philippines where Sensient builds partnerships for botanical ingredient farming. The award recognizes growers and farms for their outstanding contribution to Sensient’s agronomy program, which focuses on regenerative agriculture and good farming practices, community engagement, and prosperity of the local economy and quality of life. The program is an exemplar of sustainable agriculture:



- 1. We are intercropping botanicals in old, erosion-prone coconut plantations to conserve arable land use, improve soil health, and provide greater income yield per unit area for the farmer.
 - 2. We have implemented resource-efficient practices like drip irrigation, solar dryers, and drought-resistant plants to preserve freshwater and energy sources.
 - 3. Butterfly pea flower naturally reduces the need for commercial nitrogen fertilizers, thus reducing GHG emissions from the manufacture of nitrogen-based fertilizers and keeping soil and waterways healthy.
 - 4. We reduce the risk of soil erosion by practicing contour farming – the practice of tilling sloped land along lines of consistent elevation in order to conserve rainwater and reduce soil losses from surface erosion – and keeping tillage to a strict minimum.
 - 5. We protect local water sources by planting bamboo poles for inexpensive riverbank stabilization and by building water reservoir tanks that provide potable water.
 - 6. We provide technologies, educational opportunities, and scholarships to partners and their families to support their long-term pursuits.
- We are grateful to work with such wonderful people in the Philippines and are confident that, together, we can build a secure community dedicated to the health of people and planet.



SPOTLIGHT
California Water

California, the number one producer of agricultural goods in the United States, has reported an increase in dry wells and declining supplies of groundwater in recent years, putting a strain on the state’s water systems.

To help address this issue and support our partner farms in the region, Sensient’s Natural Ingredients business (SNI) has partnered with two other organizations to develop a pilot aquifer recharge pond in Central California with the intent to expand this effort to different growers and regions. These projects will recharge groundwater sources for farms and local communities and provide waterfowl habitats for migrating birds, which play an important role in the region’s ecology.

To further support the health of our partner farms and California water resources, SNI continues to aid partners in the conversion to drip irrigation, which can reduce water consumption by up to 50%, and install water sensing probes that provide real-time soil moisture content measurement to support more efficient irrigation schedules. Other technologies we have provided partners – including the installation of in-field weather stations that predict fungus presence and drone imaging that monitors over one thousand acres of farmland – help to reduce the use of fungicides and detect other risks that could impact water and crop quality.

Sustainable Product Design



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

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

Target

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

Strategies, Initiatives & Priorities

- Integrate circular design principles into R&D practices at the earliest stages of design
- Implement resource-efficiency design principles into R&D practices to reduce energy use and water withdrawal
- Incorporate biodegradability, recyclability, and general product end-of-life considerations into product design
- Collaborate with suppliers to ensure sustainable sourcing of raw materials
- Train R&D and purchasing teams on ethically sourced materials

Sustainable Product Design Checklist

Innovation is our expertise and our greatest tool for advancing planetary and human health and well-being. The journey toward production with lower emissions and resource use, a supply chain that demands the health and safety of human beings, and a cradle-to-grave lifecycle that consumers can enjoy with confidence begins with design.

Sensient is building this priority into all innovation projects with our new Pillar 5 Checklist. Using this checklist, we will assess the sustainability opportunities – from supplier identification to customer needs and all the production decisions, regulatory reviews, and traceability confirmations in between – for all products in the innovation stage. Each step is designed to measure against our sustainability targets and inspire decisions aligned with our sustainability strategy.

The Pillar 5 Checklist consists of more than 90 questions designed to align our mission with customers’ needs and to address environmental and social criteria relevant to the development of new products.

The criteria considered in our Pillar 5 Checklist include the following:

- 1

Choice of raw materials or components in relation to their environmental footprint (e.g. reduced water, energy, and non-renewable material use)
- 2

Choice of raw materials or components in relation to identified labor and deforestation risks in the supply chain
- 3

Choice of raw materials or components in relation to required distribution, storage, and transportation
- 4

Production method and resource-use optimization
- 5

Packaging requirements
- 6

Resource efficiency opportunities for customers in downstream production and use
- 7

End-of-life management

Personal Care

For more than 30 years, our product innovation team has been developing natural alternatives to supplement or replace synthetic ingredients used in cosmetics and personal care products. Some examples include natural pigments for makeup and hair dyes, replacements for ingredients like micro-plastics and titanium dioxide, and nature-forward skin care products with upcycled ingredients.



Sensient Cosmetic Technologies was rated “Gold” by EcoVadis in 2023.

Sensient’s Personal Care innovation platform is dedicated to the creation of not only natural – but also biodegradable and renewable – products. These products provide superior performance in our customers’ applications and support our customers’ demand for sustainable raw materials for use in their clean-label products.

Recent examples of our sustainable creations include:

COVABSORB® NATURE GP

is the first natural broad-spectrum color and fragrance protector, designed to shield formulations from UV oxidation, completely free from chemical filters like OMC, BHT, and Avobenzone.

VEGETABLE CHARCOAL PN94™

is a charcoal made from pine wood sourced from sustainably managed forests (certified by the Forest Stewardship Council).

ALOE SURFACE TREATMENT

is a 100% natural and hydrophobic surface treatment made using upcycled aloe leaf, a byproduct of aloe gel production.

OUR NATPURE® PRODUCT LINE

provides nature-forward solutions for personal care products. This includes Natpure® Colfine Red, a 100% natural red botanical pigment made from vegetables, and Natpure® Xco Choco, an oxidant with inherent caramel colors made from upcycling a by-product of the cocoa industry.

OUR BIODEGRADABILITY PROGRAM

is on track to test 100% of our personal care products for biodegradability. As of the end of 2023, 73% of the personal care portfolio has been assessed.

Safe and sustainable production is just as fundamental to our personal care business as safe and sustainable products.

- For six years, Sensient Cosmetic Technologies has been a signatory member of the United Nations Global Compact Network France and is committed to uphold the 10 universal principles on human rights, labor, environment, and anti-corruption.
- In 2023, our commitment to transforming the cosmetics industry went even further when we joined TRASCE, a consortium of 15 cosmetic industry companies collaborating to enhance traceability in key ingredient and packaging supply chains across the industry.
- By the end of 2024, we anticipate that 100% of the palm oil derivatives of our personal care business will be RSPO Mass Balance certified.

We look forward to more transformative innovations and strategies to support our customers in the journey to a more sustainable industry.

Sensient Natural Ingredients

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

Sustainable Product Offerings

Sensient Natural Ingredients offers an extensive portfolio of dehydrated vegetables that take 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.

Supply Chain Collaboration

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

With control over each step of the process, Sensient utilizes decades of process knowledge to ensure ideal field selection, proprietary development of seed varieties, and a customized planting and harvesting process. Through our field representative program, we partner with our growers to share best practices in farming that are unique to our products in areas such as integrated pest management, improved nutrient management, water conservation, and other proprietary farm management systems and tools. Because many of these relationships span decades, our growers are integrated partners in our supply chain.

Land Stewardship & Emission Reduction

Sensient’s production of our Natural Ingredient product offerings is designed to prioritize solutions that not only reduce our footprint but also add value to the land. For example:

- 100% of the water we use to wash our harvested crops is captured and reused for irrigation in nearby farm fields.
- 100% of residual skins and culls from our processing operations are collected and used to produce compost to support the growing of crops.
- Regenerative agriculture practices, including the rotation of diverse crops, are built into our short-term and long-term strategies to preserve resilient farm ecosystems.

To confront the challenge of greenhouse gas emissions, we are continuously working to reduce our fossil fuel consumption per dry pound of product produced through initiatives like our crop science program, harvest technology improvements, and proprietary dehydrator heat-recovery systems.

SPOTLIGHT Natural and Organic

In response to the increasing demand for organic agricultural products grown in the U.S., we are proud to offer our organic-certified line of garlic, parsley, paprika, onion, chili pepper, ancho pepper, and jalapeño pepper. Sensient’s line of organic products is grown in compliance with the USDA’s National Organic Program standards without the use of any synthetic fertilizers, herbicides, or insecticides. Transported to our organic certified facility and processed within 24 hours of harvest, Sensient’s organic products are well cared for to help ensure safety and high quality from farm to table.



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, vitamins, 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.

Human Nutrition

Viewed as a safe, natural substitute to chemically produced drugs, probiotics used in dietary supplements experienced rising demand during the COVID-19 pandemic, and we expect that demand will continue to grow. Other examples of human nutrition 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. We are also working with plant-based meat companies to optimize protein production through fermentation, which helps increase the availability of a sustainable protein source as compared to an animal protein source. We develop protein sources that help to improve the efficiency and throughput of fermentation processes to reduce energy usage and the resultant generation of greenhouse gases. According to the Veganism Impact Report, plant-based meat production may ultimately help mitigate 70% of greenhouse gases that are generated as a result of the production of meat products. We believe that the sustainability benefit inherent in plant-based meat alternatives may help this market regain its footing.

Animal Nutrition

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

Plant Nutrition

Increasing demand to reduce usage of synthetic fertilizers and pesticides on crops has driven adoption of more biological and environmentally-friendly solutions such as biostimulants and biopesticides in farming applications. As spotlighted, our Bloomgenix® solution is an eco-friendly, animal-free line of biostimulant ingredients derived from yeast and various plant sources. These ingredients are abundant in free amino acids, bioactive peptides, plant vitamins, and target metabolites to improve the overall yield of the crop, the quality of the harvest, and the resilience of crops to environmental stressors such as drought, cold, and salinity. Moreover, some of Sensient’s biostimulants provide a higher nutrient use efficiency, which helps farmers reduce their use of synthetic fertilizers.



SPOTLIGHT Bloomgenix®

At their core, our Bloomgenix® Biostimulants and Fermentation lines are designed to improve our customers’ products and productivity, and as a result, we enhance efficiency and stewardship of resources. When applied to a crop, Bloomgenix® biostimulants improve the uptake of nutrients into the plant, thereby reducing the crop’s resource requirements. That means less arable land use, less water, and fewer emissions both on the farm and in transportation. Further, the higher nutrient-use efficiencies can help farmers reduce their use of synthetic fertilizers, thereby improving both soil and water health, while ultimately harvesting a higher quality yield.

The environmental impact extends to the upstream value chain as well. Sensient utilizes a circular approach in the creation of Bloomgenix® products by upcycling ingredients such as brewer’s yeast or corn byproducts that would have otherwise ended at a landfill. The process adds several other peripheral benefits:

- We recover and sell the alcohol coming in with the brewer’s yeast, eliminating what would have been hazardous waste.
- We upcycle the cell walls that result from the process to add into livestock feed for better animal health.
- We beneficially apply the wastewater sludge generated by the process to fertilize agricultural fields.
- Through fermentation, our nutrients are also used to produce many health and wellness products such as probiotics and biopharmaceuticals.

The result of our biostimulant solutions is less waste, fewer emissions, smarter farming, and smarter production.

Innovations for Consumer Health

At Sensient, our R&D teams have developed a wide range of product lines that reflect the consumer drive toward health, clean labels, 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.

Vegan Flavors

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

Plant-Based Protein Solutions

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

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

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

Dairy-Free Products

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

Sodium & Sugar Reduction

Sensient plays an important role in helping food and beverage manufacturers with sodium and sugar reduction initiatives to create healthier products that are natural and label-friendly without negatively impacting taste. For example, our SensaSalt® solutions make 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 mouth feel in low-sugar confectionery, dairy, and beverage products while reducing off notes that can result when less sugar is used.

Clean-Label Products

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

Natural Flavor Enhancers

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

- Natural “nut” flavors that allow for allergen-free, all-natural labeling;
- Ingredient and flavor combinations to lend a sense of indulgence to dairy-free ice cream; and
- Smokeless Natural Flavor Portfolio, which includes smoke and wood flavors

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.

Natural Color Solutions

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

Coloring Foods

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

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

USDA Certified Organic Products

Sensient is committed to creating a broad 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 continues to develop versatile alternatives to titanium dioxide, which is used in food, pharmaceutical, and cosmetic applications as an opacifying agent. Recent regulatory activity in Europe that attempted to ban the use of titanium dioxide in food has led customers everywhere to seek out alternatives. Sensient pioneered titanium dioxide replacements with our Avalanche® and Avalanche® Xtra portfolios, which are natural, titanium dioxide-free 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. In 2023, our Color Group launched three new products in our Avalanche® product line. We also provide alternatives to titanium dioxide for use in cosmetic and personal care applications such as our SensiOpt White™ range and Sensifeel™ range.

Labor & Human Rights

LABOR & HUMAN RIGHTS

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 categorically reject individuals and ideologies that seek to sow hate, discord, and division based upon an individual's personal characteristics. We have been and always will be one Sensient at all times and in all places, united by our common humanity and our common dedication to the Sensient Corporate Creed.

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

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

Failure to provide equal employment opportunities, including those listed above, because of an individual's status in a protected class is a violation of the Company's Code of Conduct and is not tolerated or condoned by the Company. Upon proof of a violation of these rules, any offending employee will be summarily terminated 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 membership in a protected class. Sensient's Code of Conduct specifically prohibits discrimination, intimidation, and harassment and calls for summary termination of anyone found to have violated these anti-harassment policies.

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

Hiring

We employ inclusive hiring practices.

All employment decisions, including interviewing, hiring, compensation, training, promotions, transfers, and lay-offs, are based on both the principle of equal employment opportunity and each individual's personal skills and abilities, character, and dedication to the success of the Company. We do not discriminate based upon anything other than a person's ability to do their job well. 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, and moving beyond restrictive pedigree requirements in favor of skills and the ability to learn. Sensient uses innovative recruiting strategies to strengthen our pipeline of talent. For example, we utilize 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.

Employee Development

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

In order to continue to develop and retain our key talent, we offer training programs based upon the employee's role in the Company. For example, we developed a training program for people leaders, including an in-person session led by our CEO and participation in a coaching program. The coaching program is six months long and provides training and resources for our leaders to improve their coaching skills. In 2023, over 350 leaders participated in the program.

We also maintain personalized career planning, ongoing coaching and development by Corporate and local leadership, and a “High Potential Program,” which ensures our key talent learns from and gains exposure to senior leadership. Performance reviews and succession planning occur Company-wide on an annual basis. Individual goals, which flow from the Company strategy, are set annually for employees, and attainment of those goals is an element of the employee's annual performance assessment.

We invest in our development programs for high-impact roles, such as our General Management Development, Sales Representative Trainee, Flavorist Trainee, and High Potential programs. We continue to “promote-from-within” and provide opportunities for our internal employees to grow their careers, with over half of our senior leadership and over half of our business unit leaders previously having been promoted to their current roles 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.

Freedom of Association & Collective Bargaining

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

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

Our Board of Directors oversees the Company's Human Capital Management program, including the measures taken to support employees' right to exercise freedom of association and collective bargaining. We regularly engage with employees, employee representatives, and local trade unions and works councils that represent our employees to inform and consult on matters regarding the Company's businesses and workforces. Employees are encouraged to report violations of labor and employment laws on a confidential or anonymous basis using the compliance concerns form on the Company's internal website or our Code of Conduct hotline.

There were no Sensient locations at which the right to freedom of association and collective bargaining were violated or at risk during the 2023 financial year. As such, no additional measures were taken.

On-Boarding

After hiring a candidate, we believe that an effective on-boarding program is a critical factor in whether a new employee succeeds or fails.

We conduct a survey of new hires to solicit feedback on our recruitment and on-boarding practices and utilize that feedback to further enhance how we bring new employees into the organization. We continue to develop and improve the on-boarding processes to differentiate ourselves from our competitors and help enable our employees to succeed.

Employee Benefits & Well-Being

We firmly believe that every Sensient employee contributes to our success. To reward our employees and attract other high performers, we offer competitive compensation and a wide variety of benefits and other programs to recognize the contributions of our employees and promote their well-being, including the following:

- Comprehensive benefits programs that allow employees to select the plans and levels of coverage best suited to meet their needs, including health insurance benefits for our full-time employees and their families and supplemental health insurance for employees in countries with public health systems. In the U.S., Company contributions to the cost of our employees’ health care plans amount to approximately 80% of total premium costs, well above the industry average of around 75%. We also allow our U.S. part-time and seasonal employees at our Natural Ingredients business to participate in many of the same programs as our full-time employees, including our Savings Plan 401(k) program.
- 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.
- No-cost disease management program available to all employees enrolled in a Sensient health plan.
- Generous employer match for participants in our Savings Plan 401(k) program.
- Third-party employee assistance program that offers free and confidential counseling, referrals, and follow-up services to employees with personal and/or work-related problems.
- Generous paid time-off policies to promote better work/life balance.
- Scholarships and tuition assistance for eligible employees to further their career development and to increase their value to Sensient. Under this policy, employees may receive financial assistance when taking formal, educational courses from accredited schools.
- Pet insurance for eligible employees in the U.S. Participating employees have the convenience to pay insurance premiums through payroll deductions to help alleviate costs of veterinary care needs.
- Support of Executive Order 13518, The Veterans Employment Initiative, to help U.S. military veterans find civilian employment. As noted above, our Board includes a veteran, and three out of the five Named Executive Officers in our 2024 Proxy Statement are veterans.
- Paid internship and co-op programs to educate the future of our industry with valuable hands-on experience and training.
- Monthly CEO town halls with all employees via live video.
- Opportunities for employees to participate in international work assignments.
- Innovation program that provides cash payments for employees who solve key technical challenges.
- In conjunction with National Merit Scholarship Corporation, Sensient offers college scholarships to the eligible children of U.S. employees. Each scholarship winner receives \$5,000 per year of college for up to four years.
- Monitoring of employee satisfaction and engagement through surveys of the recruiting and onboarding process for new hires; new hire check-ins; stay interviews, which are mandatory for all key talent; and exit surveys and interviews for departing employees.
- Employee Referral Program that rewards Sensient employees for referring a successful hire during the recruitment process.
- Employee Stock Ownership Plan.

Workforce Demographics

Our workforce demographics display the diversity of our employees and our commitment to inclusive hiring and promotion practices.

As of December 31, 2023, the Company had approximately 3,956 employees, with approximately 43% based in the U.S. and 57% 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, 2023.⁶

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. Navy.

Our anti-discrimination principles and commitment to leveraging diverse experiences also extend to our nominating practices for our Board of Directors. Of our nine directors as of December 31, 2023, three are women, one of whom is African American; one is South Asian; two are immigrants to the United States; and one is a veteran.

Additional metrics on workforce demographics can be found in [Appendix 5](#).

⁶The EEO-1 Report provides a demographic breakdown of an employer’s U.S. workforce by race and sex in certain prescribed job categories. The 2023 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 2023 EEO-1 report when the EEOC collects the information in 2024.

Employee Health & 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.
- Implementation of “best-practice” programs and management systems across all business units worldwide.
- Ongoing capital investments aimed at continually improving EHS standards 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 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.
- Regular communication and engagement with employees on safety topics through safety committee meetings, plant-wide communication meetings, and “tool box” meetings.
- Root cause analysis of injuries and near misses to ensure that lessons learned can be applied across the entire organization.

Operational Health & Safety Management

Each Sensient facility is responsible for maintaining an occupational health and safety management system that, among other things, provides for implementation of relevant safety policies and procedures; hazard identification and tracking; safety orientation training of new employees; and regular refresher training on relevant safety topics throughout the year through a combination of classroom training, tool box meetings, and computerized training. For high-hazard activities like confined space entries, lockout/tagout, and hot work, we have implemented safe work permit programs to ensure the highest standards of safety are followed in our facilities.

Each Sensient manufacturing facility has a joint management-worker safety committee comprised of representatives from multiple departments to promote safe and healthy work practices and prevent occupational injuries, illnesses, and accidents. Safety committees meet regularly to review occupational injuries and near misses occurring since the last meeting; the resolution or current status of outstanding action items; upcoming safety and health awareness training; regulatory agency and/or internal inspections; the results of any industrial hygiene testing that has been performed; and any other relevant topics of concern.

Data relating to Operational Health and Safety Management can be found in [Appendix 4](#).

Employee Health & Safety Policy

Environmental stewardship and the health and safety of our employees, contractors, and communities in which we operate are foundational to our ability to fulfill our mission and are every employee's responsibility. Consistent with our Code of Conduct, this CEO-approved policy describes the principles and commitments that guide us:

- We will meet or exceed all applicable local, state, and federal environmental, health, and safety standards.
- We will implement all Company environment, health, and safety rules.
- We will always operate in a manner to protect the health of our workers through the implementation of safe work practices, engineering controls, and personal protective equipment.
- We will maintain an emergency preparedness plan for each of our facilities.
- We will provide regular safety and environmental awareness training.
- Our Code of Conduct requires our employees to communicate potential safety and environmental risks to management.
- We facilitate transparent reporting and investigation of safety and 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 decision-making processes, including our capital investment decisions.
- We will consult with relevant stakeholders on environmental performance.
- We will continually monitor and manage our performance and publicly disclose metrics in our annual Sustainability Report.
- We will conduct audits and implement best practices to ensure compliance with this Policy.
- We demand that all contractors working for us will operate according to these same standards.

**HAZARD IDENTIFICATION,
RISK ASSESSMENT,
& INCIDENT INVESTIGATION**

Each Sensient facility is responsible for conducting risk assessments of the processes carried out at the facility to identify potential hazards and make sure that proper work procedures, administrative controls, engineering controls, and personal protective equipment are provided, as necessary.

As outlined in our EHS Policy, our Code of Conduct requires our employees to communicate potential safety and environmental risks to management. All employees are trained on the available procedures to report such risks or occurrences, including in-person reporting to a manager or Human Resources or anonymous reporting to a dedicated email address, hotline, or online form within Sensient’s intranet. Sensient has an internal reporting requirement for work-related injuries and other safety incidents at our facilities to make sure that Company management are timely made aware of incidents. This includes a requirement to conduct a root cause investigation and identify preventive and corrective actions to prevent a recurrence. Learnings are shared with other Sensient facilities in the spirit of continuous improvement.

PROMOTION OF WORKER HEALTH

Sensient provides comprehensive health benefits programs, including health insurance benefits for our full-time employees and their families; supplemental health insurance for employees in countries with public health systems; short-term and long-term disability plans; paid parental leave programs; and mental health support such as access to free and confidential counseling services. Additional, voluntary services include a disease management program, a weight loss management program, access to discounted gym memberships, and, for U.S. employees, optional on-site biometric screenings and flu shot clinics.

Sensient facilitates workers’ access to these services upon hire or, in the case of disability plans and paid parental leave benefits, after service requirements are met. Sensient’s benefits specialists provide annual reminders on the benefits available and instructions on how to enroll in benefits that best fit the needs of employees and their families. These programs and services are available to all full-time employees, with the exception of employees who receive the given service through State programs or through their union, as defined by the union’s collective bargaining agreement.

To maintain the confidentiality of workers' personal health information, Sensient has business associate agreements in place with all vendors with whom we share information. Files that vendors receive are transmitted through our HRIS system using a secure server with our third-party administrator.

Physical Security Program

As part of our commitment to maintaining a safe work environment, Sensient is committed to maintaining physically secure offices and plants.

The Sensient Physical Security Policy, available to all Sensient employees in 12 languages, details our security program and employee responsibilities. All employees are required to follow the guidelines of the Physical Security Policy and must complete workplace violence prevention training upon hire and on an annual basis thereafter.

Our Board of Directors has direct responsibility for the physical security program, and our Security Council – which consists of executives, directors, and site security managers – meets biannually to oversee the program. The Director of Corporate Security is responsible for implementing and maintaining the security programs. Each Sensient site has designated a site security manager that acts under the direction of the Director of Corporate Security and ensures the site's compliance with the Physical Security Policy. Sensient’s dedicated crisis response team – which consists of executives, directors, and the appropriate management of an affected location – meets annually to conduct a crisis response exercise focused on emergency planning, response, and business continuity. Sensient conducts annual physical security audits of its facilities to further identify and mitigate risks.

Sensient has also engaged a third-party medical and security service to enhance our physical security program. This company provides additional security for traveling employees and emergency alert notifications to employees and business locations when a security risk event occurs on or near their site.

Labor & Human Rights Risk Management

Sensient approaches labor and human rights risk management, both within our own operations and within the supply chain, through a comprehensive structure of dedicated governance, publicly shared and enforced policies, a mandatory Code of Conduct for both Sensient personnel and suppliers, and continuous monitoring.

GOVERNANCE

Sensient’s Board of Directors has direct oversight on management’s risk assessments and implementation of appropriate risk management policies and guidelines, including risks related to labor and human rights and all related regulatory or environmental, health, and safety (EHS) matters. The Board of Directors is responsible for our human rights policy. Management responsibilities related to labor and human rights within operations and the supply chain are directed through our Corporate Human Resources, EHS, and Regulatory teams. Each plays an important role in communicating expectations, responding to changes in risk factors and regulation, and tracking compliance. Additional details on governance and risk management can be found in our ‘Corporate Governance, Legal Compliance, And Risk Oversight’ section.

POLICIES AND DISCLOSURES

Sensient’s primary policy designed to combat labor & human rights risks is our [Code of Conduct](#), which includes our [Supplier Code of Conduct](#) (see the expectations listed in these documents in our Social Responsibility & Human Rights Policy at the end of this section), in addition to the following policies and disclosures:

- [Slavery & Human Trafficking Statement](#)
- [Uygher & Other Forced Labor Policy](#)
- [Conflict Minerals Disclosure](#)

As set forth in our Code, Sensient has zero tolerance for forced labor of any kind, including prison labor, non-rescindable contracts, or labor obtained through threats of punishment, deposits of bonds, or other constraints, and strictly complies with the requirements of the U.K Modern Slavery Act of 2015 (the "Act").

Any employee found to have violated the Act is subject to discipline under the Code, up to and including immediate termination. If Sensient finds any supplier to have violated the Act, we will promptly terminate our commercial relationship with that supplier.

MONITORING COMPLIANCE

The majority of our manufacturing facilities undergo regular Supplier Ethical Data Exchange (“SEDEX”) audits to evaluate and document our compliance against Ethical Trade Initiative (“ETI”) standards and SEDEX Members Ethical Trade Audit (“SMETA”) best practices. More than half of our sites, representing approximately 91% of our annual production volume, have been subject to human rights reviews following the SMETA principles.

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. In addition, we reserve the right to audit our suppliers for conformance with our requirements and with applicable legal requirements.

REPORTING VIOLATIONS

We continually monitor all aspects of our business, including our supply chain. Our Code requires any employee who believes the Code has been violated to promptly report the matter to the Company’s General Counsel or Director of Internal Audit. Reports may be verbal or in writing, and may be made on a confidential or anonymous basis using the compliance concerns form on the Company’s internal website. All reports of violations are promptly investigated and remedied as appropriate under the direction of the General Counsel.

Suppliers must immediately inform Sensient in writing if they are aware of any negative publicity, including violations of the Act, regarding the supplier or any product supplied to us.

There were no instances of slavery or human trafficking concerns raised to us during the 2023 financial year.

STATEMENT ON SECURITY PRACTICES

Sensient initiates an annual due diligence review process of our supply chain to ensure that products supplied to Sensient do not originate from conflict regions that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses. Failure to comply with our Supplier Code of Conduct may be grounds for terminating the supplier relationship, and any relevant contracts.

All Sensient employees receive annual training on the Company’s Code of Conduct, including those responsible for managing the security of our global sites and locations. Sensient security personnel are from outsourced suppliers, and these organizations are expected to conform to Sensient’s Supplier Code of Conduct, which supports the ethical principles of Sensient.



Social Responsibility & Human Rights Policy

Through our Supplier Code of Conduct, we seek to work with suppliers that share our values. Requirements and expectations include the ethics, human rights, and environmental matters described below. These standards apply to both Sensient's facilities and our suppliers' facilities globally. In the event local standards on a matter do not exist or do not meet these ethical standards, Sensient and our suppliers establish employment practices and apply U.S. standards where appropriate while complying with local law. We reserve the right to audit the operations and records of our suppliers to establish compliance with these standards.

Business Practices

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

Compliance With All Applicable Laws & Regulations

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

Antitrust & Fair Competition

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

No Bribery or Corrupt Payments

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

Intellectual Property

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

Cybersecurity

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

Conflict of Interest

Our suppliers are expected to avoid and report all conflicts of interest resulting from their business dealings with Sensient and to notify Sensient if any Sensient employee has business, financial, or personal ties to the supplier that may influence such employee’s decisions.

Protection of Confidential Information & 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.

Gifts

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, loans (other than from established banking or financial institutions), or hospitality or entertainment which could influence the employee’s independent judgement, and all gift-giving is discouraged. These prohibitions apply to gifts or payments made directly or through an intermediary.

Management & Transparency

Our suppliers are expected to have systems in place to track compliance with applicable laws and regulations and to investigate, to the extent allowed by law, allegations of misconduct. Suppliers must immediately inform Sensient in writing if they are aware of any material noncompliance with local laws involving either the supplier or a Sensient product.

Responsible Sourcing

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

Embargoes & Trade Law

Our suppliers shall comply with all applicable trade laws and restrictions imposed by the United Nations, the United States, and other national governments.

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 originated from conflict regions that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.

Affiliation with Governments & Government Officials

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

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

Workforce Practices

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

Human Rights

Our suppliers must respect and support global human rights, in accordance with the principles found in the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. Global human rights are fundamental to the operations of Sensient’s business. Human rights are rights, freedoms, and standards of treatment regarded as belonging to all persons. Sensient respects and supports internationally recognized human rights and is committed to high standards of ethics, honesty, and integrity and demonstrating respect and dignity for one another and those with whom we do business.

No Forced Labor or Trafficking

Our suppliers are prohibited from using slaves or forced labor of any kind, including prison labor, non-rescindable contracts, indentureship, or labor obtained through threats of punishment, deposits of bonds or travel documents, or other constraints, or engaging in human trafficking. If applicable, supplier is expected to have filed a transparency statement in compliance with the UK Modern Slavery Act 2015. Suppliers will conform to Convention 29 (Forced Labour) and Convention 105 (Abolition of Forced Labour) of the International Labor Organization.

No Child Labor

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

No Harassment or Abuse

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

Equal Opportunity & Nondiscrimination

Our suppliers must provide equal employment opportunities to all people and will not discriminate based upon race, religion, color, sex (which includes pregnancy, orientation, identification, expression, and all other legally protected characteristics), age, national origin, disability, veteran or military status, political beliefs, or any other characteristic protected now or in the future by applicable law. Our suppliers are expected to value the dignity of each employee as a unique person with individual skills and perspectives. Suppliers are expected to categorically reject individuals and ideologies that seek to sow hate, discord, and division based upon an individual’s personal characteristics. Suppliers should strive to unite themselves with their employees by focusing on their common humanity and by dedicating themselves to the principles of integrity, professionalism, and safety.

Reasonable Compensation

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

Working Hours, Overtime, & Wages

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

Workplace Health & Safety

Our suppliers must provide a safe workplace for their workers including, at a minimum, adequate lighting, ventilation, potable water, and sanitary facilities. Where required or appropriate, suppliers must provide safety equipment, guards, and protective clothing/masks to protect workers from hazardous machinery and materials, fire suppression and evacuation protocols, and security measures to ensure employees’ safety while on or entering or exiting Supplier’s premises.

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

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

Environmental Practices

Our suppliers must treat the environment with respect, including:

Environmental Compliance

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

Hazardous Waste Management

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

Air Quality & Carbon Footprint

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

Energy Efficiency

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

Water Management & Conservation

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

No Deforestation

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

Community Practices

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

Property Rights

Our suppliers must respect property rights in the communities in which they operate and must ensure fair negotiation on all land transfers to which they are a party, including free, prior, and informed consent for new developments.

Free, Prior, & informed Consent (FPIC)

Our suppliers must commit to following the principles of free, prior, and informed consent (FPIC) of indigenous peoples for property or land negotiations. All forms of land grabbing are prohibited. Adherence to the principles of free, prior, and informed consent of indigenous peoples is required in all negotiations for property or land, including the use of and transfers of it. Land rights of individuals, indigenous people, and local communities affected by sourcing practices, supply chains, and operations must be respected.

Human Right To Water

Our suppliers acknowledge that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Health & Safety Impact

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

Indigenous People

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

Local Sourcing

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

Continuous Improvement

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

Violation Reporting

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

Philanthropy & Community Service

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

The Sensient Foundation

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

Sensient's foundation gave
over **\$690k in donations**
to a variety of charities in 2023.

- The Foundation donated more than \$150,000 to civic activities in 2023, including local community parades and events, Children's Centers, Boys & Girls Clubs, the Special Olympics, emergency relief funds, and other contributions for community support.
- The Foundation also donated \$210,000 to various causes supporting health, welfare, and recovery, both in our communities and worldwide.
- In light of the humanitarian crisis following the Turkey / Syria earthquakes in early 2023, the Sensient Foundation donated \$10,000 to relief efforts, matching the generous donation campaign of Sensient employees globally. Donations to the Red Cross went toward immediate and long-term care for the victims and communities impacted.
- The Sensient Foundation continues to be one of the largest supporters of the Milwaukee Ronald McDonald House, Rescue Mission, Thrive for Life Reentry Program, and the Women's Care Center near our corporate headquarters.



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:

- Over 230 Sensient employees participated in various tree planting and natural preservation events world-wide, resulting in the planting of more than 400 trees.
- Sensient teams in Mexico initiated fundraising drives for in-kind donations and basic amenities for the people of Acapulco, Mexico who were impacted by Hurricane Otis.
- In Uganda, our strategic partner employs more than 300 families, some displaced from nearby war-torn countries, in the growing of sustainable crops. Sensient recently donated a seed thresher to help the farmers mechanically harvest annatto seeds in a less physically demanding manner.
- In the Philippines, we distributed 1,400 holiday food baskets to our butterfly pea growers, pickers, and farm workers. We also conducted our Annual Butterfly Pea Flower Awards to recognize our growers in categories such as “most innovative,” “cleanest farm,” and “highest yield.” Our award winners earned a small cash award, a certificate, and a butterfly pea flower trophy.
- In collaboration with PearlFoods International, Inc., we have initiated a project to revitalize the water supply infrastructure for the T’boli tribal community in the Philippines. This partnership aims to serve 400 households by providing access to clean and safe drinking water, significantly enhancing the quality of life and health for the indigenous population.
- Our Lerma facility partnered with various local organizations throughout 2023 to aid vulnerable populations such as elderly community members, low-income households, children with disabilities, and individuals suffering from drug addiction.
- The Sensient team in Michigan participated in or donated to 26 community events and charities in 2023 for cumulative gifts of \$1,800 for local schools and youth programs and another \$4,000 for other community support.
- 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, the WINGS program provided Christmas gifts and décor to over 100 families.

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:

Local School Partnerships in Latin America

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

This year, along with our regular donations to the local schools, our Sensient teams volunteered to paint, repair, and refurbish the buildings and playgrounds of two local schools and provided 1,000 school supplies to a care center for children with disabilities. Additionally, in conjunction with a local NGO, Sensient employees provided nearly 500 meals to families of the nearby community in late December.

Supporting Growers' Families' Education in the Philippines

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

Expanding Graduate Education in Southeast Asia

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



Empowering Women Around the World

We are proud of the extraordinary women within our organization, and we are passionate about furthering opportunities for women, especially in STEM careers. This year, we continued to support a number of impactful women-led enterprises and initiatives.

Women Owned & Operated Farms

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

Supporting Indigenous Women in STEM

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



Corporate Governance, Legal Compliance, & Risk Oversight

CORPORATE GOVERNANCE, LEGAL COMPLIANCE, & RISK OVERSIGHT

Corporate Governance

Sensient's Board of Directors is responsible for overseeing the management of Sensient's business and affairs, including management's establishment and implementation of key strategic priorities and initiatives. Long-term, sustainable value creation and preservation are possible only through the prudent assumption and management of both risks and potential rewards. Sensient's Board takes a leading role in overseeing Sensient's overall risk tolerances as a part of the strategic planning process and in overseeing Sensient's management of strategic risks.

Board of Directors Committee Oversight

The Board has delegated to the Audit Committee primary responsibility for overseeing management's risk assessments and implementation of appropriate risk management policies and guidelines, including those related to financial reporting, regulatory compliance, and litigation risk mitigation. It has delegated to the Compensation and Development Committee primary oversight responsibility to ensure that compensation programs and practices do not encourage unnecessary or excessive risk-taking and that any risks are subject to appropriate controls. It has delegated to the Nominating and Corporate Governance Committee primary oversight responsibility to ensure that Sensient's governance standards establish effective systems for monitoring and accountability as well as over environmental performance and for matters relating to Sensient's Environmental, Social, and Governance efforts, including the Company's Sustainability Strategy, this Sustainability Report, and oversight of climate risk (see sections on "Climate-Related Governance" and "Climate-Related Risks & Opportunities"). It has delegated to the Finance Committee primary oversight responsibility with respect to Sensient's capital structure, insurance program, use of swaps and other derivative instruments, and foreign currency management. The Board has assumed direct responsibility for Sensient's product safety, personnel safety, physical security, human capital management, and cyber and intellectual property security programs.

Additionally, the entire Board, along with five non-director members who are recognized food science or food safety experts, participates in the Scientific Advisory Committee, which monitors and reviews new product development programs, industry trends, and technical and regulatory issues related to Sensient's product lines. The Board and these committees receive periodic reports on these matters from management and personnel in charge of the related risk management activities. Furthermore, the Board has direct access to all executive officers of Sensient and routinely receives presentations from Group Presidents, General Managers of the various business units, technical leaders, and product safety leaders.

The Board, through the Audit Committee, oversees a number of activities undertaken by management to monitor financial reporting risks and internal controls. Those activities include regular audits of significant business units by Sensient's Internal Audit Department, annual audit and quarterly reviews by Ernst & Young LLP, an annual internal control audit by Ernst & Young LLP, and, when needed, special investigations directed by the Director of Internal Audit and General Counsel of any unusual or irregular activities.⁷

⁷For more information about our governance structure, please refer to our 2024 Proxy Statement, the [Governance](#) page on our website, and our [Corporate Code of Conduct](#).



Legal Compliance

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

- Corporate Code of Conduct (available in all languages used within the Company), which includes:
 - o Antitrust Compliance Manual
 - o Anti-Bribery Policy
 - o Company Confidential Information Policy
 - o Conflict of Interest Policy
 - o Cybersecurity Principles
 - o Director Confidentiality Policy
 - o Insider Trading Policy
 - o Records Retention Policy
 - o Supplier Code of Conduct
- Securities Compliance Manual
- Cybersecurity Policy
- Global Privacy Policy
- Sustainability Report
- Export Compliance Policy
- Food Safety/Recall Manual
- Physical Security Policy

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 Oversight

Cybersecurity

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

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

Product Safety

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

- The Board receives a report on product safety related issues at each meeting.
- Maintenance and update of a Food Safety/Recall Manual, which the Board of Directors reviews annually.
- Annual mock recall drills.
- All product safety issues are reported to the CEO, and Sensient's head of product safety and quality is a direct report of the CEO. In 2021, the Board formalized the existing practice of the CEO reporting product safety issues to the Board in a written policy, which sets forth specific reportable events and a timeline for required Board notification when a product safety issue occurs.
- Sensient has established guidelines for Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), and, since 1999, conducts comprehensive product safety audits, including GMP/HACCP audits, at all of our food ingredient manufacturing facilities.
- Comprehensive and robust raw material approval processes are in place to ensure product safety.
- Raw materials and finished goods are analyzed for compliance with specifications prior to use and shipment, respectively.
- Sensient also conducts key vendor quality assurance inspections directly or by third-party accredited auditing organizations.
- Environmental monitoring program to screen our manufacturing facilities, equipment, and personnel for contamination.
- Sensient develops and implements corrective action plans for all internal, customer, and third-party audit deficiencies.
- Sensient monitors industry violations and shares details of such violations with its customers.
- In-house compliance attorney who is continually engaged with the business units on product regulatory matters.
- CEO and Group President plant inspections.
- Food defense plans in place at all of our food ingredient manufacturing plants.
- In 2023, no Sensient products were recalled.

Chemical Risk Strategy

The Board oversees the Company's Chemical Risk Strategy, which we implemented in 2015 to identify, assess, and manage risks associated with potentially harmful chemicals in products. This ongoing program is led by our CEO and Director Dr. Ferruzzi and SAC member Dr. Eric Decker. Sensient's Chemical Risk Strategy is a risk mitigation program that is designed to identify chemicals used by Sensient that are, or may soon become, a legal, regulatory, safety, or litigation risk and take action to mitigate risk to Sensient.

OUR CHEMICAL RISK STRATEGY HAS SIX COMPONENTS:

IDENTIFY
Identify all potential chemical risks as soon as possible.

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

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

REFORMULATE
Reformulate products if possible, using less-risky chemicals.

INNOVATE
Develop a safer alternative to the risky chemical.

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

Environmental, Health, & 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.

Risk Oversight

Human Capital Management

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

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

Other Legal and Regulatory Risks

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

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

Ethics

Sensient’s [Code of Conduct](#) directly addresses our requirements and policies related to ethics management, including:

- antitrust and competition;
- antibribery and anticorruption;
- conflicts of interest;
- equal employment opportunity;
- insider trading; and
- compliance with all of the laws, rules, and regulations of the United States and other countries, and of the states, counties, and cities where we do business.

Sensient provides training on our Code of Conduct – including on the topics of corruption, bribery, antitrust, and competition – to all employees through our online and in-person Code of Conduct training. All new employees take the online training during their first days of employment. All current employees must take this training annually. Failure to comply with the law and our antitrust policy, including a failure to report a known violation of the law, could result in criminal and civil penalties as well as disciplinary action, up to and including termination.

Sensient assesses and monitors the risk of corruption, bribery, and anticompetitive practices on an ongoing basis, under the oversight of the Board of Directors. There were no instances of corruption, bribery, or anticompetitive practices during the 2023 financial year.

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 operate consistently with high standards of business and personal ethics. This avoids actions that could cause harm to Sensient and communicates to our shareholders and the community that we manage our business conduct as diligently as we manage our business operations.

Climate-Related Governance



CLIMATE-RELATED GOVERNANCE

Board Oversight

Sensient seeks to be a leader in environmental sustainability and is committed to the principle of sound environmental stewardship, which encompasses issues concerning our climate. The Board has delegated to the Audit and Nominating and Corporate Governance Committees responsibility for overseeing risk, including climate-related and governance risks. The Nominating and Corporate Governance Committee has responsibility for oversight of environmental performance and for matters relating to the sustainable management of Sensient’s business activities.

Process & Frequency

Sensient manages sustainability through an interdisciplinary approach, with the Nominating and Corporate Governance Committee primarily tasked with the oversight of matters relating to sustainability. The Committee reviews the Company’s environmental and safety performance and monitors the progress of climate-related goals periodically at its Nominating and Corporate Governance Committee meetings. The Committee reviews compliance with internally established sustainability principles, analyzes the impact of environmental trends, reviews potential climate-related risks, and considers the adoption of new sustainability goals. In addition, the Nominating and Corporate Governance Committee receives periodic updates from management detailing all potentially relevant climate risks and sustainability issues.

The full Board annually reviews overall strategy relating to sustainability and conducts formal strategic reviews at each meeting. The Nominating and Corporate Governance Committee reviews management’s sustainability goals and assessment of climate-related risks and reports to the Board on its review. These goals include targets for improvements in energy efficiency, water efficiency, and waste reduction, as well as goals to strengthen the traceability of our supply chain and to design products that support our sustainability ambitions.

Climate Concerns in Company Strategy & 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 Corporate Governance Committee does the same.

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

Management Oversight

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

CEO

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

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

Risk Management Committee

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

Sustainability Steering Committee

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

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

Environmental, Health & Safety (EHS)

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

Senior Management

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

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

Management is responsible for reporting on the Company's environmental, social, and governance efforts, which may include updates on climate and sustainability progress, to the Board of Directors and the Nominating and Corporate 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 allow for more meaningful impact as we pursue a consolidated sustainability strategy across our entire company. Through the ESG Working Group and Sustainability Steering Committee, we are constantly evaluating new ways to drive sustainability in our day-to-day operations and reduce our environmental impact in the areas of energy consumption, generation of waste materials, and water consumption. Not only will these efforts reduce our environmental footprint, they will also allow us to operate more cost effectively and provide greater returns to our shareholders.

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



Climate-Related Risk & Opportunities

CLIMATE-RELATED RISK & OPPORTUNITIES

Climate-Related Risk Management

Risk Identification Process

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

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

Risk Management Process

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

After risks or opportunities are identified and assessed, management recommends, reviews, and formulates responses or action plans to the associated risk or opportunity. Management tailors the response to each new risk or opportunity given the Company's values, past experiences, and overall objectives and prioritizes our responses based, first, on the relevance to our five pillars and sustainability strategy and then on the 'impact to cost' ratio of the response, giving precedence to responses that most effectively mitigate risk at the lowest cost. The Nominating and Corporate Governance Committee's review of the recommended plan depends on the significance of the risk and whether the identified risk is a short-, medium-, or long-term risk.

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

Integration with Enterprise Risk Management

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

Climate-Related Strategy

Once climate-related risks and opportunities have been identified and assessed throughout the organization and our value chain, we use the following definitions as guidelines to prioritize our climate-related strategy and action plan:

- 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.
- We define ‘substantive financial impact’⁸ when identifying or assessing climate-related risks and opportunities in both our direct operations and supply chain as any change that would significantly affect our business, operations, revenue, or expenditures.

Our assessment to determine which risks and opportunities, if any, meet this definition of ‘substantive financial impact’ is included in our risk management process as defined on the previous page. Once the relevant board-level and executive-level committees identify potential risks and opportunities, management further evaluates the relevant data, the likelihood of the risk or opportunity materializing, and whether, and to what extent, our operations, revenue, or expenditures could be impacted.

In our 2023 assessment, we did not identify any climate-related risks as having a substantive financial or strategic impact on our business. However, the potential risks and opportunities listed in the chart on the following page were evaluated. We will continue to monitor potential risks and opportunities on an ongoing basis and will update our conclusions as appropriate.

⁸“Substantive” as used in this report is used within the context of the CDP reporting framework and is different than the definition in the context of filings with the Securities and Exchange Commission. An issue deemed substantive for purposes of this report may not be considered substantive or material for reporting purposes under U.S. federal securities laws, including in filings with the Securities and Exchange Commission.

Climate-Related Risks & Responses

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, and we regularly monitor for operational compliance within our operations globally.

EMERGING REGULATION

Our 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 climate-related disclosures to ensure we are prepared to comply if mandatory disclosures were to go into effect. As a public company that operates internationally, Sensient is currently preparing for compliance with the European Union’s (EU) Corporate Sustainability Directive, the EU’s Deforestation Regulation, and California’s SB253 and SB261 and monitoring other proposed regulations.

LEGAL

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

TECHNOLOGY

We anticipate the risks that come with the transition to lower emission technology, including the higher costs and various decreases in production capacity. In the context of our risk assessment, we plan to source as much power from sustainable sources and implement energy-efficient equipment as is financially and physically feasible. We believe the business will be most secure during this transition if we are actively searching for new ways to be more sustainable while maintaining strong financial performance. This will be an iterative and incremental approach to ensure the wisest investments in technology that sufficiently meets our needs, and the needs of our customers, and to mitigate the risks of high costs and an unsuccessful transition.

MARKET

Sensient operates in a complex and diverse supply chain. Therefore, climate change has the potential to increase our risk to market disruptions and changes in consumer behavior. 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. Our marketing teams use internal and external consumer insights to evaluate a wide-variety of risks in order to predict and stay ahead of market trends and disruptions.

REPUTATION

Integrity is the cornerstone of our Code of Conduct, which is the foundation of our strategy. Our reputation is a key part of our value proposition, and for that reason, we include climate-related risks in our overall business strategy. This includes the potential risk of changing consumer preferences, stigmatization of the flavor and color industry, and related effects on talent acquisition. 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 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. Through our seed-to-shelf program and other operational investments, we collaborate with our suppliers to implement best practices for minimizing risk exposure and ensure technological and procedural flexibility within our own operations.

CHRONIC PHYSICAL

It is imperative that we continually identify long-term climate-related risks, such as sustained higher temperatures and changing precipitation patterns, to our business and respond accordingly. In addition to managing physical threats to the sourcing of our raw materials, we implement long-term capital expenditure planning. 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 and develop a scheduled capital expenditure plan for timely implementation.

Climate-Related Opportunities & Responses

RESOURCE EFFICIENCY

The growing interest in responsible action to confront the risks of climate change has led to the development of increasingly efficient technologies, innovations, and services. While the technologies needed for us to confront our largest emissions sources are not yet cost effective, we are taking advantage of this opportunity to implement equipment and procedures to reduce our energy use, water withdrawal, and discarded waste where we can and thereby reduce our operating expenses. Further, we endeavor to continue to identify and capitalize on the increasingly available governmental and service provider incentives to encourage sustainability-driven upgrades and advancements at each of our locations.

ENERGY SOURCE

We plan to source as much power from sustainable sources as is financially and physically feasible. This ambition requires a challenging initial investment but would result in both emissions reductions and an increased control over electricity availability as concerns over grid reliability become more common. Ten of our manufacturing facilities either have solar panels on site or are in the process of developing solar panels on site, and six of our manufacturing facilities obtain energy from a grid that is 85%+ renewable.

PRODUCTS AND SERVICES

The development of Pillar 5 in Sensient’s sustainability strategy is a reflection of our climate-related opportunity assessment. The shift in consumer preference for low-carbon, resource efficient, and sustainably sourced products opens up opportunities for new and growing markets, particularly for our natural colors and flavors product lines. By the end of 2024, we will incorporate our new sustainable product design checklist into 100% of our innovation projects.

MARKETS

Each new regulation implemented adds compliance costs (often substantial) to the company, but as we work to comply with emerging regulation across the globe, we have the potential to position ourselves as a more attractive and more compliant supplier for customers in those markets. For example, as an international public company, we are subject to many proposed regulations that would be costly to comply with but would also provide increased transparency to our customers, investors, and other stakeholders. Many of our customers will also need to comply with these regulations or otherwise have sustainability priorities that rely on supply chain visibility. Another advantage is reputational benefit, which could lead to growth in our business and more attractive opportunities for potential talent.

RESILIENCE

Our commitment to long-term sustainability strategies and responsible business practices will lead to long-term resilience against water shortages, agricultural supply threats, sustained high temperatures, and other physical risks. The advantages of sustainability-driven decisions are particularly appealing for a business working within the food and agricultural industries. We have embraced this opportunity by engaging with our suppliers on climate-related issues to better understand their environmental footprint and community impacts, while seeking new business opportunities in the value chain. These initial forms of engagement signal the beginning of increased collaboration and expectations within our value chain. Further, we have partnered with, and continue to seek partnership with, customers along our value chain to collaborate on environmental projects such as efficient farming practices and innovative technologies that create shared value.

Impact on Financial Planning

Climate-related risks and opportunities, once identified and evaluated, influence our financial planning process each fiscal year. We consider questions such as “where should we look to plant crops this year and in future years?”, “how might a physical risk like droughts or high-water stress impact the operating expenses or long-term capital needs in certain regions?”, or “how might transition risks like increased emissions-reporting obligations increase our indirect operating costs related to emissions analysis or legal and regulatory management?” The Company then considers this analysis in the forecasts, budgets, and strategies that impact our operations, capital projects, products, research and development investments, supply chain management, and business structure.

To provide a few examples:

- 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.
- When evaluating capital expenditures, we consider the sustainability-related benefits of proposed projects in our decision-making process. Every capital appropriation request at Sensient 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.
- Our five-pillar sustainability strategy directly influences our corporate business strategy and budgets, which means site-level operations are directed to reduce emissions, water, and waste alongside their financial objectives.
- Our R&D teams are directed to consider sustainability in all innovations projects and to develop resource efficient and sustainability certified products. The budget reflects this strategy; we allocated 14% more toward R&D in 2023 compared to 2022.
- 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. We invest in supply chain solutions, including vertical integration, to mitigate the potential impacts.
- Also discussed in our 10-K, compliance with regulation is costly. The more regulations, the more cost. The more cost, the more expensive our products become, potentially making them less competitive and reducing the Company’s profitability and ability to return capital to our shareholders.

We generally determine which risks and opportunities to prioritize by their relevance to our five pillars and sustainability strategy and then by the ‘impact to cost’ ratio of the response, giving precedence to responses that most effectively mitigate risk at the lowest relative cost. For example, investing in clean-in-place technology and installing additional water meters at all production facilities both directly address opportunities built into our Sustainability strategy, but the clean-in-place technology makes the larger estimated water reduction relative to its cost. In this example, though we are currently acting on both opportunities, we would prioritize the clean-in-place technology.

Impact on Strategy

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

Our materiality assessment drives the prioritization of our decisions, and the Sustainability Strategy capitalizes on our ambitions. The Sustainability Strategy includes five pillars:

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

Because of the strategic initiatives that accompany each of these pillars, the overall business strategy and risk management framework of the Company include plans for capital investment in resource-efficient technology, development of certified sustainable products, implementation of a sustainable product design checklist into our R&D procedures, expansion of our supply chain risk assessment to include sustainability-related matters, and a focus on Company-wide sustainability education and ownership.

Sensient is positioned to plan for and respond to various climate-related scenarios between now and 2050, reflecting the resiliency of our Sustainability Strategy and the proactive efforts of our Sustainability Steering Committee. Through our climate-related assessments, we seek to be well-prepared to adapt to possible disruptions caused by climate change or government regulation imposed with the intent of addressing climate change, and we will accomplish this through consistent attention to climate-related developments. Each month, the Sustainability Steering Committee meets to discuss these developments and decide next steps in line with the board-approved strategy.

Impact on Business

Climate change has the potential to impact our businesses in different ways depending on the raw materials used in the production of our products and their end use. Some of our brands are well-positioned to capitalize on the growth of sustainability-driven markets, so our strategy explicitly includes initiatives to design products with lower environmental impacts across the value chain and to ensure safer, more sustainable sourcing. Our response to climate change has been guided by a review of the areas where we can have the biggest impact on mitigating climate risk or benefiting from climate opportunity.

Some highlights include:

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

Climate-Related Metrics & Targets

Metrics

As previously noted, with the preparation of this 2023 Sustainability Report, Sensient has endeavored to prepare our disclosures in line with the SASB standard for Chemicals. We leverage additional sustainability metrics related to energy, emissions, water withdrawal, waste disposal, and more to align with the expectations of the CDP questionnaire and to quantify the success of our sustainability strategy against climate-related risks and opportunities. Refer to the Appendix for the disclosure of our climate-related metrics, including a detailed assessment of our scope 1 and scope 2 greenhouse gas emissions.

In 2021, we introduced our first sustainability-related performance metrics into our compensation incentive structure for certain key business leadership. In 2023, the Compensation and Development Committee approved a sustainability-related performance metric, which emphasizes the reduction of certain inventory and incentivizes 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.

Targets

PILLAR	TARGET	PROGRESS
Pillar 1: Decarbonization	Reduce carbon intensity of scope 1 and scope 2 greenhouse gas emissions by 30% by 2030 (Baseline 2020)	Progress – 8% Target – 30%
Pillar 2: Water Stewardship	Reduce overall water withdrawal by 30% by 2030 (Baseline 2020)	Progress – 9% Target – 30%
	Reduce water withdrawal intensity by 30% in areas categorized as having high or extremely high water stress levels (Baseline 2020)	Progress – 10.9% Target – 30%
Pillar 3: Waste Reduction	Increase average landfill diversion to 75% by 2030	Progress – 72.9% Target – 75%
Pillar 4: Sustainable Supply Chain	Collect auditable sustainability data and perform assessments on the suppliers that represent between 75-90% of our total spend by 2030	We have further developed our supply chain connections on SEDEX & EcoVadis and are strengthening internal tracking of relevant supplier data.
Pillar 5: Sustainable Product Design	Incorporate a sustainable design principles checklist into 100% of innovation projects by 2024	Our sustainable design principles checklist has been developed and is currently in the review and implementation phase.

Where We Will Go In 2024 & Beyond

First and foremost, we believe we need to focus on directly reducing our own scope 1 and scope 2 emissions. As we see it, the only way to actually reduce the amount of greenhouse gases 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. In a world of limited resources, we are spending our resources to work on our own scope 1 and scope 2 emissions.

Reduce Scope 1 Emissions

In focusing on reducing our scope 1 emissions, we performed an assessment and determined that roughly 85% of our annual scope 1 emissions come from stationary combustion, which is largely from our industrial, fuel-powered dryers and boilers. Dryers are used throughout our manufacturing plants to convert our products from liquid to powdered products, or in the case of our Natural Ingredients business, to dehydrate garlic, onion, capsicums, and other vegetable products. Our customers demand these dry products for their applications and transporting liquid products is significantly more costly and carbon intensive. As discussed below, we are also required by regulations, in certain instances, to provide dried products that would otherwise be in liquid form. Consequently, to actually reduce our scope 1 emissions, we need to address our dryers and boilers.

SCOPE 1 EMISSIONS:

Direct emissions from owned or controlled sources. (per the GHG Protocol)

Increase Equipment Efficiencies & Production Efficiencies

The best short-term strategy to reduce our greenhouse gas emissions incorporates a mix of equipment and production efficiency improvements. In 2024, we will continue our work to improve the efficiency of our dryers and boilers, to rationalize our production processes, and, in some cases, to redesign our products, all to reduce our scope 1 emissions. We are also exploring a regulatory change that could help our efforts. Currently (as discussed elsewhere), all of the synthetic colors we manufacture for use in food or pharmaceutical applications in the U.S. need to be certified by the FDA. The existing regulations require us to dry all of these colors before submitting them to the FDA. In many cases, after the FDA certifies the colors, we re-liquefy them for use in our customers' applications. If the FDA would instead certify liquid samples, we think we could achieve significant reductions in our scope 1 and scope 2 emissions at our St. Louis Color facility. However, changing federal regulations is a long and uncertain process.

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

Electrify Fuel-Powered Equipment

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

First, we could convert our carbon-based fuel powered equipment to electrical equipment. However, in our efforts to achieve this, we have discovered three restrictive challenges.

1. Absent an increased availability of renewable electricity sources, this conversion would only shift our emissions from scope 1 to scope 2 and, as long as the electrical grid is still powered by fossil fuels, would ultimately increase our net emissions. Less than 12% of our available boiler capacity is located in a market where grid electricity has lower emissions than natural gas.
2. Depending on the market, electricity is two to eleven times more expensive per unit energy than the presently used carbon-based fuel. The increase in electricity demand resulting from conversion would be cost prohibitive, and the increased strain on the electrical grid would increase the risk of inconsistent electricity supply.
3. Electric versions of direct-fired dryers are not commercially available beyond pilot-scales. Direct-fired dryers, which make up most of our dryers, can also be converted to indirect-fired dryers and electrified. While technically possible, this is not always the most economical or space-friendly option. Indirect-fired dryers can be more expensive compared to direct-fired dryers due to additional boilers, heat exchangers, and ductwork and require additional space that may not be available in a facility designed around direct-fired dryers.

All things considered, we are limited by the resources available, but we will continue to seek to electrify our equipment when it is technologically and financially feasible.

Utilize Carbon Capture Technology

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

Reduce Scope 2 Emissions

SCOPE 2 EMISSIONS:

Indirect emissions
from the generation
of purchased energy.
(per the GHG Protocol)

Procure Renewable Energy from the Grid

As previously mentioned, the availability of renewable sources of electrical energy is a major constraint as we try to reduce our scope 2 emissions. Without a reliable electrical grid sourced primarily through renewables, a future in which we achieve zero 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 increase our scope 2 emissions. We will continue to monitor for opportunities to source energy from more renewable sources.

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

Install On-Site Renewables

As of the publication of this report, three of our 32 manufacturing facilities have solar panels on site, another seven sites are in the process of implementing solar, and another six sites procure energy from a grid that is 85% or more renewable. We are actively working to grow this list by installing on-site renewable energy solutions or engaging in price purchase agreements. However, at most facilities, the land and roof space available to us for solar panel installation is not enough to provide 100% of our energy needs. For example, at some of our facilities, the maximum installation of solar panels would only provide an estimated 5% of energy needs.

Reduce Scope 3 Emissions

SCOPE 3 EMISSIONS:

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

**Conduct a Robust Scope 3
Baseline Assessment**

We have not yet set scope 3 requirements as we have no established baseline, and regulatory questions around scope 3 guidance remain unsettled. However, in preparation for compliance with emerging regulations like the EU Corporate Sustainability Reporting Directive and California's SB 253, we are in the process of mapping our scope 3 emissions according to the guidance of the GHG Protocol and developing a system to connect with key actors in our value chain. In 2024, we will endeavor to develop a formal internal emissions accounting policy and begin the assessment of our scope 3 emissions.

Engage our Supply Chain

We have begun engaging with our suppliers to better understand their environmental footprint and where they are in their sustainability journey, and the level of disclosures we expect from our suppliers will continue to grow. As we continue to expand our engagement activities, we will work in collaboration with our key suppliers to reduce emissions throughout our value chain. Because our supply chain consists of over 6,000 suppliers that range from sophisticated multinationals to small scale farmers in remote regions of the world, this is a very steep climb. We will continue attempting to go about this effort methodically and sensibly.

Source our Ingredients Sustainably

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

Reduce Emissions through Product Design

Our Pillar 5 Checklist is designed to address the potential emissions of all new innovations projects.

Remodel our R&D program to incentivize the reduction of energy demand (and other resources) through product design

In alignment with our Pillar 5 target, we are working to integrate sustainable product design elements into the first stages of product design. Our technical departments work with our production facilities and sourcing experts to develop smart, lower-carbon solutions, such as product designs that call for less time in dryers or boilers, leverage upcycle draw materials, or replace imported ingredients with local ones to reduce transportation emissions. The sustainable product design checklist to be implemented in 2024 is designed to enhance these efforts.

Transition to low-carbon products

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

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

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

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

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

Appendix 1 – Energy & Emissions Data⁹

SENSIENT BY GROUP & MANUFACTURING SITE	2020 SCOPE 1 & 2 EMISSIONS ¹⁰ (MT CO ₂ e)	2023 SCOPE 1 & 2 EMISSIONS (MT CO ₂ e)
CORPORATE TOTAL	211,048	212,061
COLOR	53,356	46,396
St. Louis, USA	37,495	30,772
Delta, Canada	897	307
Kingston, Canada	217	192
Geesthacht, Germany	2,258	2,190
Reggio Emilia, Italy	2,401	1,943
Gebze, Turkey ¹⁰	1,379	1,379
King’s Lynn, UK	704	661
St. Ouen l'Aumone, France	497	464
Johannesburg, South Africa	165	381
Lerma, Mexico	5,467	6,925
Lima, Peru	1,351	1,028
Jundiai, Brazil	57	84
Tambore, Brazil	59	70
Closed Facilities	409	-
FLAVORS & EXTRACTS	153,073	160,929
Livingston, USA	56,105	61,871
Juneau, USA	29,570	36,106
Amboy, USA	18,969	18,759
Harbor Beach, USA	14,570	13,573
Deming, USA ¹⁰	2,200	2,838
Turlock, USA	2,733	2,044
Felinfach, UK	8,490	8,046
Milton Keynes, UK	1,889	2,612
Heverlee, Belgium	2,217	1,455
Celaya, Mexico	15,366	12,663
Tlalnepantla, Mexico	945	946
San Jose, Costa Rica	17	18
ASIA PACIFIC	4,468	4,736
Guangzhou, China	2,127	2,189
Manilla, Philippines	446	802
Keysborough, Australia	720	603
Mumbai, India	176	309
Bangplee, Thailand	246	257
Auckland, New Zealand	186	235
Hitachi, Japan	229	221
Closed Facilities	338	120
FUGITIVE AND MOBILE EMISSIONS, UNSPECIFIED	151	-

Appendix 1 – Energy & Emissions Data⁹

SENSIENT BY COUNTRY OF MANUFACTURING SITES	2020 EMISSIONS ¹⁰ (MT CO ₂ e)	2023 EMISSIONS (MT CO ₂ e)
CORPORATE TOTAL	211,048	212,061
DIRECT EMISSIONS (SCOPE 1)	145,500	156,567
Australia	145	138
Belgium	1,377	1,214
Brazil	85	79
Canada	800	477
China	54	275
Costa Rica	10	18
France	466	327
Germany	1,024	1,672
India	12	56
Italy	1,617	1,788
Japan	79	85
Mexico	16,701	15,706
New Zealand	120	151
Peru	1,210	877
Philippines	87	167
South Africa	30	91
Thailand	23	35
Turkey	776	776
United Kingdom	11,084	10,706
United States	109,648	121,930
Fugitive & Mobile Emissions, Unspecified	151	-
INDIRECT EMISSIONS (MARKET-BASED SCOPE 2)	65,548	55,494
Australia	575	465
Belgium	840	242
Brazil	32	75
Canada	314	23
China	2,411	2,034
Costa Rica	7	-
France	30	137
Germany	1,234	518
India	164	253
Italy	784	155
Japan	150	136
Mexico	5,077	4,827
New Zealand	65	84
Peru	141	151
Philippines	359	635

Appendix 1 – Energy & Emissions Data⁹

INDIRECT EMISSIONS (MARKET-BASED SCOPE 2) (CONTINUED)		
South Africa	135	290
Thailand	223	222
Turkey	603	603
United Kingdom	-	612
United States	52,404	44,033
INDIRECT EMISSIONS (LOCATION-BASED SCOPE 2)	68,334	57,038
Australia	575	465
Belgium	380	228
Brazil	32	75
Canada	254	147
China	2,411	2,034
Costa Rica	7	-
France	72	57
Germany	777	706
India	164	253
Italy	725	580
Japan	150	136
Mexico	5,077	4,827
New Zealand	65	84
Peru	141	151
Philippines	359	635
South Africa	135	290
Thailand	223	222
Turkey	603	603
United Kingdom	4,019	1,512
United States	52,166	44,033

SENSIENT EMISSIONS BY GAS	2023 EMISSIONS (MT CO ₂ e)
CORPORATE TOTAL	212,061
DIRECT EMISSIONS (SCOPE 1)	156,567
CO ₂	142,579
CH ₄	13,088
HFC	695
N ₂ O	204
INDIRECT EMISSIONS (MARKET-BASED SCOPE 2)	55,494
CO ₂	55,188
CH ₄	185
N ₂ O	122

Appendix 1 – Energy & Emissions Data⁹

EMISSIONS SOURCE	UNIT OF MEASURE	2023 CONSUMPTION	UNIT OF MEASURE	2023 EMISSIONS
STATIONARY FUEL				
Natural Gas	MWh	675,906	tCO ₂ e	122,499
Diesel - Stationary	MWh	612	tCO ₂ e	155
Diesel	MWh	282	tCO ₂ e	72
Propane	MWh	29,530	tCO ₂ e	6,360
Fuel Oil	MWh	2,879	tCO ₂ e	851
Kerosene	MWh	272	tCO ₂ e	70
MOBILE FUEL				
Propane - Mobile	MWh	2,421	tCO ₂ e	521
Diesel - Mobile	MWh	5,577	tCO ₂ e	1,429
Fleet - Diesel	MWh	2,232	tCO ₂ e	572
Fleet - Gasoline	MWh	6,910	tCO ₂ e	1,748
Gasoline (Petrol) - Mobile	MWh	785	tCO ₂ e	199
REFRIGERANTS				
R-22	kg	54	tCO ₂ e	107
R-438A	kg	70	tCO ₂ e	170
R-404A	kg	186	tCO ₂ e	881
R-410A	kg	179	tCO ₂ e	403
R-134	kg	12	tCO ₂ e	16
PROCESS EMISSIONS				
Carbon Dioxide	kg	5,353,277	tCO ₂ e	5,353
Sodium Bicarbonate Reactions	kg	3,566,234	tCO ₂ e	1,869
Sodium Carbonate Reactions	kg	725,749	tCO ₂ e	301
WASTEWATER				
Wastewater Treatment	m ³	859,924	tCO ₂ e	12,992
ELECTRICITY				
Electric Power from Grid	MWh	122,236	tCO ₂ e	55,173
Green Power from Grid	MWh	7,172	tCO ₂ e	-
Renewable Power - Onsite	MWh	380	tCO ₂ e	-
STEAM				
Steam	MWh	1,414	tCO ₂ e	320

⁹The data included in this appendix have not been reviewed or audited by a third-party and may include estimates where data were not reasonably available.

¹⁰Prior years have been restated to adjust for acquisitions, divestitures, and changes in methodology that occurred between 12/31/2020 and 12/31/2023, pursuant to the GHG Protocol.

Appendix 2 – Water Data¹¹

SENSIENT MANUFACTURING SITE		STRESS LEVEL	TOTAL WATER WITHDRAWAL (m³)	MUNICIPAL (m³)	GROUNDWATER (m³)
2023 CORPORATE TOTAL WATER WITHDRAWAL			3,488,278	1,532,317	1,955,961
HIGH TO EXTREMELY HIGH WATER STRESS			1,039,737	283,268	756,469
Juneau, USA	High (40-80%)		509,508	13,434	496,074
Amboy, USA	High (40-80%)		167,664	167,664	-
Lerma, Mexico	High (40-80%)		132,874	-	132,874
Celaya, Mexico	Extremely High (>80%)		105,609	-	105,609
Gebze, Turkey	High (40-80%)		37,086	15,174	21,912
Turlock, USA	High (40-80%)		25,104	25,104	-
Heverlee, Belgium	Extremely High (>80%)		24,227	24,227	-
Lima, Peru	Extremely High (>80%)		19,966	19,966	-
Tlalnepantla, Mexico	Extremely High (>80%)		13,270	13,270	-
Bangplee, Thailand	High (40-80%)		4,271	4,271	-
Johannesburg, South Africa	Extremely High (>80%)		158	158	-
LOW TO MODERATE WATER STRESS			2,448,541	1,249,049	1,199,492
Livingston, USA	Medium - High (20-40%)		966,878	-	966,878
Saint Louis, USA	Low (<10%)		647,709	647,709	-
Harbor Beach, USA	Low (<10%)		400,345	400,345	-
Felinfach, UK	Low (<10%)		129,234	979	128,255
Reggio Emilia, Italy	Low (<10%)		93,094	-	93,094
Deming, USA	Arid and Low Water Use		38,971	38,971	-
Milton Keynes, UK	Low - Medium (10-20%)		34,164	34,164	-
Geesthacht, Germany	Low (<10%)		26,631	15,366	11,265
Guangzhou, China	Low (<10%)		26,625	26,625	-
Kings Lynn, UK	Low - Medium (10-20%)		20,226	20,226	-
Manilla, Philippines	Medium - High (20-40%)		14,503	14,503	-
Delta, Canada	Low (<10%)		11,611	11,611	-
St. Ouen l'Aumone, France	Medium - High (20-40%)		10,269	10,269	-
Kingston, Canada	Low (<10%)		9,522	9,522	-
Keysborough, Australia	Low - Medium (10-20%)		5,296	5,296	-
Mumbai, India	Low - Medium (10-20%)		4,769	4,769	-
Auckland, New Zealand	Low (<10%)		3,513	3,513	-
Jundiai, Brazil	Medium - High (20-40%)		2,621	2,621	-
Hitachi, Japan	Low - Medium (10-20%)		1,462	1,462	-
San Jose, Costa Rica	Low - Medium (10-20%)		644	644	-
Tambore, Brazil	Low (<10%)		454	454	-

Appendix 2 – Water Data¹¹

	2020 ⁴	2023
HIGH TO EXTREMELY HIGH WATER STRESS		
Water Withdrawal (m ³)	1,066,605	1,039,737
Percentage of Total	27.8%	29.8%
LOW TO MODERATE WATER STRESS		
Water Withdrawal (m ³)	2,767,850	2,448,541
Percentage of Total	72.2%	70.2%
TOTAL WATER WITHDRAWAL	3,834,455	3,488,255

¹¹The data included in this appendix have not been reviewed or audited by a third-party and may include estimates where data were not reasonably available.

¹²Prior years have been restated to adjust for acquisitions and divestitures that occurred between 12/31/2020 and 12/31/2023 and for an updated assessment of water stress by the World Resources Institute's Aqueduct Water Risk Atlas tool. For improved comparability, we used the 2023 water risk assessment for both the 2020 and 2023 data when categorizing sites as having high or extremely high water stress.

Appendix 3 – Waste Data¹³

WASTE	UNIT OF MEASURE	2022 ⁶	2023
NONHAZARDOUS WASTE	MT	39,864	46,656
Recycled/Reused	MT	1,417	10,848
Composted/Organic Recycling	MT	24,145	23,064
Incineration	MT	-	3
Landfill	MT	14,302	12,741
HAZARDOUS WASTE	MT	847	553
Recycled/Reused	MT	651	372
Incineration	MT	123	145
Landfill	MT	74	36
LANDFILL DIVERSION % ¹⁵	%	64.7%	72.9%

¹³The data included in this appendix have not been reviewed or audited by a third-party and may include estimates where data were not reasonably available.

¹⁴Prior years have been restated to reflect adjustments for error correction and an overall improvement in data quality and collection.

¹⁵We define landfill diversion as the ratio of the amount of Sensient-generated waste that is managed through recycling, upcycling, or incineration to the total amount of waste that we generate, on a mass basis. For purposes of this metric, we exclude wastewater and wastewater pretreatment residuals.

Appendix 4 – Operational Health & Safety Data^{16,17}

	2022	2023
Number of Workplace Fatalities	0	0
Number of Total Recordable Cases ¹⁸	89	81
Total Recordable Incident Rate ¹⁹	2.2	2.0
Number of Lost-Time Injury Cases ²⁰	46	55
Lost-Time Injury Frequency Rate ¹⁹	1.2	1.4

¹⁶The data included in this appendix have not been reviewed or audited by a third-party and may include estimates where data were not reasonably available.

¹⁷Sensient aligns its global workplace safety reporting data with OSHA, which does not separate employee and supervised contractor data; accordingly, all metrics contained in this appendix represent combined data for employees and supervised contractors.

¹⁸Total recordable cases are determined based on OSHA recordability criteria and include both injuries and illnesses.

¹⁹Per 100 full-time workers. This rate is calculated by estimating total hours worked for the year by averaging our total global headcount at the beginning and end of the year and assuming that each person works a 40-hour work week, for 50 weeks; rates are presented as incidents per 200,000 hours worked.

²⁰A recordable injury or illness is defined as a lost-time injury when the worker is either unable to work or is prescribed time off for one or more days after the day of the injury/illness. Local differences in the thresholds for prescribing medical leave are not taken into account when determining the number of lost-time cases – cases are conservatively counted as lost-time cases whenever time off is prescribed.

Appendix 5 – Employee Data (as of 12/31/2023)²¹

TOTAL EMPLOYEES: GENDER DIVERSITY BY REGION				
REGION	TOTAL	% MALE	% FEMALE	% OTHER / UNDISCLOSED
NA	1,771	64%	34%	2%
EMEA	936	55%	36%	9%
LATAM	637	65%	23%	12%
APAC	612	44%	42%	14%
TOTAL	3,956	59%	34%	7%

TOTAL EMPLOYEES: AGE DIVERSITY BY REGION					
REGION	TOTAL	% AGE <30	% AGE 30-50	% AGE >50	% UNDISCLOSED
NA	1,771	13%	48%	38%	0%
EMEA	936	10%	54%	29%	7%
LATAM	637	11%	68%	18%	3%
APAC	612	10%	60%	15%	15%
Total	3,956	12%	55%	28%	5%

EMPLOYEES HIRED: GENDER DIVERSITY BY REGION Employees hired between 1/1/2023 and 12/31/2023.				
REGION	TOTAL	% MALE	% FEMALE	% OTHER / UNDISCLOSED
NA	286	58%	28%	14%
EMEA	142	47%	22%	31%
LATAM	106	45%	14%	41%
APAC	69	30%	19%	51%
Total	603	50%	23%	27%

EMPLOYEES HIRED: AGE DIVERSITY BY REGION Employees hired between 1/1/2023 and 12/31/2023.					
REGION	TOTAL	% AGE <30	% AGE 30-50	% AGE >50	% UNDISCLOSED
NA	286	29%	54%	15%	2%
EMEA	142	23%	42%	9%	26%
LATAM	106	15%	56%	15%	14%
APAC	69	23%	35%	3%	39%
TOTAL	603	25%	49%	12%	14%

²¹The data included in this appendix have not been reviewed or audited by a third-party and may include estimates where data were not reasonably available.

2023 EMPLOYEE TURNOVER					
	MALE	FEMALE	OTHER/UNDISCLOSED	TOTAL	RATE*
Voluntary	246	128	62	436	11%
Involuntary	140	45	26	211	5%
Retirement and other	43	23	0	66	2%
Total	429	196	88	713	18%

*Rate defined as number of terminations divided by average headcount between 1/1/2023 and 12/31/2023.

PERCENTAGE OF EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE REVIEW				
	MALE	FEMALE	OTHER/UNDISCLOSED	TOTAL
Direct Employees	0%	0%	0%	1,611
Indirect Employees	100%	100%	100%	2,345

Direct employees are defined as those employees who are involved in the manufacturing of our product (e.g. manufacturing workers, harvest workers, etc.). Indirect employees include all other employees (e.g. office workers, production supervisors, sales workers, etc.). Regular performance reviews are conducted online through an employee management platform. Since direct employees do not conduct work using the Company's computers or have access to the Company's intranet, they do not receive regular formal performance reviews.

EMPLOYEE TRAINING	
Total Hours of Training	25,479
Average Hours Per Employee	6.44

Employee training includes compliance training (Code of Conduct, Sexual Harassment Prevention, Travel Risk Awareness, Cybersecurity, etc.), safety training, leadership training, and quality training (GMP, HACCP, Food security, etc.). The total amount is a conservative estimate based on average training time per type of training event and the number of employees who participated in each. This estimate does not include self-reported learning hours, so the actual total training hours is likely to be higher.

DIRECTORS BY AGE AND GENDER					
AGE <50		AGE>50		TOTAL	
MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2	0	4	3	6	3

Appendix 6 – EEO-1 Report²²

EEO-1 CATEGORY	HISPANIC OR LATINO		NON-HISPANIC OR -LATINO												Overall Totals
			MALE						FEMALE						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Administrative Support Workers	3	14	18	0	0	0	0	1	51	4	0	2	0	2	95
Craft Workers	10	0	45	2	0	1	0	2	0	0	0	0	0	0	60
Executive or Senior Level Officials & Managers	0	0	18	1	0	3	0	1	4	1	0	0	0	0	28
First or Midlevel Officials & Managers	27	12	170	5	1	16	0	12	89	5	0	6	0	3	346
Laborers & Helpers	71	91	103	6	1	8	0	7	26	1	0	5	0	3	322
Operatives	63	12	213	84	2	9	0	6	11	14	1	1	0	1	417
Professionals	12	8	99	11	0	22	0	10	104	5	0	31	0	5	307
Sales Workers	1	2	26	3	0	1	0	1	25	1	0	3	0	3	66
Service Workers	0	0	11	1	0	0	0	0	4	2	0	0	0	0	18
Technicians	1	4	11	1	0	1	0	3	29	2	0	2	0	2	56
Total	188	143	714	114	4	61	0	43	343	35	1	50	0	19	1,715

Date of Payroll Period: 12/15/2023 through 12/31/2023.

²²This report is not certified and has not been finalized or filed with the U.S. EEOC; Sensient will complete and file a final 2023 EEO-1 report when the EEOC collects the information in 2024.

Appendix 7 – Sustainability Accounting Standards Board (SASB) Table

This report marks the fourth year that Sensient has disclosed under the Sustainability Accounting Standards Board (SASB) standards. The table below contains SASB's topics for the Chemicals industry standard, along with a description of Sensient's response for each topic.²³ As we are in the early stages of our reporting to SASB standards, 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 the data we have that are most closely aligned with each metric.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) TABLE			
TOPIC	ACCOUNTING METRIC	CODE	RESPONSE OR CROSS-REFERENCE
Greenhouse Gas Emissions	Gross global scope 1 emissions and the percentage covered under emissions-limiting regulations	RT-CH-110a.1	Gross global scope 1 emissions: 156,567 metric tons of carbon dioxide equivalents (CO ₂ e). Percentage of our gross global scope 1 emissions covered under emissions-limiting regulations: Approximately 35.8%. Scope 1 emissions are defined and calculated according to the methodology contained in the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)</i> using accepted emissions factors and engineering estimates as appropriate. The organizational boundaries for this report include our global manufacturing facilities. Our gross global scope 1 emissions calculations reflect all gases covered under the Kyoto Protocol. Emissions of all greenhouse gases are consolidated and disclosed in 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> . ²⁴
	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	See section on <i>Pillar 1: Decarbonization</i> and section on <i>Climate-Related Risks & Opportunities</i> .
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	(1) Total energy consumed: Approximately 3,058,000 GJ. (2) Percentage grid electricity: Approximately 15%. (3) Percentage renewable: Approximately 1% (based on information provided by our electrical providers). (4) Total self-generated energy: 8,137 GJ. See also section on <i>Pillar 1: Decarbonization</i> .
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		(1) Total water withdrawn: Approximately 3,488,000 cubic meters (30% from regions with High or Extremely High Baseline Water Stress). (2) Total water consumed: Approximately 437,000 cubic meters (62% from regions with High or Extremely High Baseline Water Stress). ²⁵
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-104a.1	We did not have any significant incidents of noncompliance associated with water quality permits, standards, or regulations in 2023.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.2	See section on <i>Pillar 2: Water Stewardship</i> .
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-140a.3	Amount of hazardous waste generated: Approximately 553 metric tons. Percentage of hazardous waste recycled: Approximately 67%.
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-150a.1	See sections on <i>Philanthropy and Community Service</i> and <i>"Labor & Human Rights" ("Social Responsibility and Human Rights Policy")</i> .
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	(1) TRIR: 2.0 (2)(a) Direct employee fatality rate: 0 (2)(b) Contractor fatality rate: 0
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	See section on <i>Labor & Human Rights ("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>Pillar 3: Waste Reduction</i> and <i>Pillar 5: Sustainable Product Design</i> for more information.
Safety & Environmental Stewardship of Chemicals	(1) Percentages of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	At this time, we do not disclose the percentage of products that contain substances that have been classified as GHS Category 1 or Category 2 Health and Environmental Hazardous Substances. All Sensient products are evaluated for hazards and assigned hazard classifications as required by law.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	See section on <i>Corporate Governance, Legal Compliance, and Risk Oversight ("Chemical Risk Strategy")</i> .
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs).	RT-CH-410c.1	Sensient does not source raw materials containing GMOs in Europe. However, in other regions we source certain raw materials that may contain GMOs, such as raw materials derived from corn or soy. We disclose presence of GMOs in our products as required by law.

Appendix 7 – Sustainability Accounting Standards Board (SASB) Table

Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	<p>Sensient anticipates both risks and opportunities related to environmental regulation and rule making at the state and federal level. Enhanced emissions-reporting obligations, carbon-pricing regulation, 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.</p> <p>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.</p> <p>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.</p>
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 2023.
	Number of transport incidents	RT-CH-540a.2	Sensient does 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.

²³Unless otherwise noted, responses include best available data from all Company-operated manufacturing facilities.

²⁴As of the publication of this report, greenhouse gas emission data have not undergone third-party assurance review.

²⁵We estimate total water consumed by subtracting the total volume of discharged industrial wastewater and cooling water from the total volume of water withdrawn.

Appendix 8 – Taskforce on Climate-Related Financial Disclosures (TCFD) Report

GOVERNANCE	
Disclose the organization’s governance around climate-related risks and opportunities.	
a) Describe the board’s oversight of climate-related risks and opportunities.	See our section on "Climate-Related Governance" on page 92.
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	See our section on "Climate-Related Governance" on page 92.
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See our section on "Climate-Related Risks and Opportunities" on page 96.
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	See our section on "Climate-Related Risks and Opportunities" on page 96.
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See our section on "Climate-Related Risks and Opportunities" on page 96.
RISK MANAGEMENT	
Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization’s processes for identifying and assessing climate-related risks.	See our section on "Climate-Related Risks and Opportunities" on page 96.
b) Describe the organization’s processes for managing climate-related risks.	See our section on "Climate-Related Risks and Opportunities" on page 96.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	See our section on "Climate-Related Risks and Opportunities" on page 96.
METRICS & TARGETS	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	See our section on "Climate-Related Metrics and Targets" on page 105, as well as our sections on "Pillar 1: Decarbonization", "Pillar 2: Water Stewardship", Pillar 3: Waste Reduction", "Pillar 4: Sustainable Supply Chain", and "Pillar 5: Sustainable Product Design" on pages 20-46 and the relevant appendices on pages 117-129.
b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	See our sections on "Pillar 1: Decarbonization" on pages 20-23 and Appendix 1 on pages 117-123.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See our sections on "Pillar 1: Decarbonization", "Pillar 2: Water Stewardship", "Pillar 3: Waste Reduction", "Pillar 4: Sustainable Supply Chain", and "Pillar 5: Sustainable Product Design" on pages 20-46.

