



Firmenich ESG Report 2021

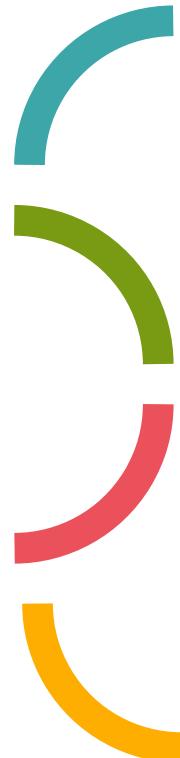
PATHWAYS TO POSITIVE





**Family owned founded
in Geneva, 1895**

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About this report

This report is intended for all stakeholders while meeting the needs of a specialist audience and is used for the continuous improvement of our reporting processes and disclosures.

Our financial results and sustainability initiatives are reported on a fiscal year basis. In this report, all references to "FY21" relate to the 12 months ending June 30, 2021. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core options). Since 2006, we have reported annually on our sustainability performance and activities. Our most recent report was published in 2020. This report and our previous reports have been fully verified by a third party to ensure that information, data and examples are accurate. This level of verification helps us make sure that we report only the facts and that we are protected from falsehoods and misinformation, whether intentional or unintentional. Our GRI Index, also verified by Société Générale de Surveillance (SGS), can be found at the end of the report. Our report is aligned with the objectives of the OECD Guidelines for Multinational Enterprises, which encourage companies to contribute to economic, environmental and social progress worldwide.

We based our materiality analysis on the SASB Materiality Map® list of material aspects and prioritization criteria, version of October 2018.

This report shares our first elements of progress during the five months following the launch of our ESG ambitions. We are at the beginning of a new chapter in our Pathways to a positive journey. The report focuses on our 2025 goals with our 2030 ambitions as a lighthouse guiding us forward to a new horizon. The details of our 2030 ambitions can be found at the end of this document in the chapter "About the Report". The report's contents also provide an update on our progress with the implementation of the ten principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

The boundaries of this report are based on our materiality analysis. These boundaries cover the global operations of the Firmenich Group, including affiliates and both manufacturing and non-manufacturing locations covering all Firmenich activities. Data of non-majority owned acquisitions as well as DRT, MG and VKL are not included in this GRI reporting and will be gradually integrated in future reporting.

- › Health & safety as well as environmental data presented in this report covers **34** manufacturing plants (alongside all non-manufacturing sites such as labs and commercial sites) and excludes mergers & acquisitions, joint ventures with operation controls.
- › Environmental data for these facilities is included in the chapter 8, performance section of the report.
- › People data covers all operations excluding DRT, MG, VKL, and non-majority owned acquisitions.

To highlight our performance, the previous year's data is included in this report where relevant. Some of this data may differ from figures reported in previous sustainability reports. These variations reflect improvements made in the calculation and consolidation methods, as well as changes made as more accurate data became available. Any changes in data reporting below a **1%** threshold are deemed not material to this report, unless they are found to be of sufficient importance to our management team. In these cases, the reason for the variation will be explained.

Our reporting standards



The GRI standards are the main reference for Firmenich's sustainability reporting



The Firmenich report is aligned with the objectives of the OECD Guidelines for Multinational Enterprises, which encourage companies to contribute to economic, environmental and social progress worldwide



Firmenich aligns its materiality analysis with the SASB approach and SASB Materiality Map™. For more details, see the materiality analysis section of this chapter



The information disclosed in the Firmenich's ESG reporting serves as a progress follow-up on implementation of the United Nations Global Compact's Ten Principles



Firmenich has identified the 16 Sustainable Development Goals on which it can have the most impact, through its operations or throughout the value chain, in line with the materiality analysis and has embedded the Sustainable Development Goals in its ESG report

01
Firmenich
at a Glance



About Firmenich



FAMILY-OWNED
COMPANY



SALES GROWTH IN LOCAL
CURRENCY (VS. FY20)



BILLION IN SALES



PRIVATELY-OWNED FRAGRANCE
AND TASTE HOUSE



MILLIONS IN
FREE CASH FLOW



R&D CENTERS



COLLEAGUES¹



MARKETS



Founded in **1895** and headquartered in Geneva, Switzerland, Firmenich is the world's largest privately-owned fragrance and taste company. Driven by our purpose to create positive emotions to enhance wellbeing, naturally, we have designed many of the world's best-known fragrances and flavors, bringing delight to over four billion consumers every day. Firmenich Group, including acquisitions, is present across more than **100** markets, employs close to **10,000** colleagues, and operates **46** manufacturing plants and **six** Research and Development (R&D) centers around the world. Expanding our business reach in Financial Year 2021 (FY21), we completed one acquisition, MG International Fragrance Company, which is not included in this year's report, and developed **two** strategic partnerships (Coop SCA3P and Authentic Products).

We are making progress in the integration of DRT, a transformational acquisition in FY20 that enables Firmenich to build the world's leading innovation platform for renewable, biodegradable, and sustainable ingredients for Fragrances, Flavors and Nutrition. DRT ESG performance will be integrated in the FY22 report. While FY21 was marked by the COVID-19 pandemic, teams across the Firmenich Group worldwide continued to raise the standard for responsible business practices, and we enhanced our Environmental, Social and Governance (ESG) management for maximum impact. Building on our deep-rooted legacy, sustainability is one of the Firmenich Fundamentals that inform our responsible business values and, as such, is a core driver of our strategy and business growth.

¹. Data on this page includes all recent acquisitions.

Statement from our Chairman and our CEO



In looking back on Fiscal Year FY21, we are deeply thankful to our **10,000** colleagues worldwide, who have ensured our reliable service to our customers as a key link in essential food and hygiene supply chains. In doing so, we implemented extensive health measures across our sites to keep our people safe during the pandemic.

Despite the challenges and uncertainty in FY21, we pursued our investments for the future, encouraged by growing recognition of our leading Environmental, Social and Governance (ESG) performance. These third-party credentials are both a source of trust for our customers and investors, and of motivation for all our colleagues.

RECOGNIZED ESG PERFORMANCE

In FY21, Firmenich became one of only two companies in the world to receive a triple "A" rating from CDP, in Climate, Water and Forests for the third year in a row. We are proud that our teams' hard work on protecting the environment, driven by measurable and science-based targets, also gained independent recognition with our ranking in the **300** companies in the Financial Times' first Climate Leaders Europe list.

We were rated for the first time by Sustainalytics, with a score of **8.6** that highlighted our low ESG risk profile and placed us in the top **1%** of companies rated worldwide. We also accelerated our journey for B Corporation certification, as the first in our industry to complete the SDG Action Manager assessment.

Finally, we continued to raise the bar on gender equality in our workplace, as one of only two companies to advance to global EDGE MOVE™ certification, and maintained our industry leadership in safety performance.

DRIVING BUSINESS & SOCIAL VALUE

Research is our engine of growth and we are consistently investing a significant proportion of our annual revenue in R&D, the highest in the industry. Our innovation is designed to drive both business value and social value for all our stakeholders, by addressing sustainability issues from the outset and striving to enhance nutrition, sanitation, and wellbeing. We have expanded our leading proprietary salt and sugar reduction solutions, and continued to build our unique SmartProteins® solutions to serve the global emergence of plant-based analogs and flexitarian diets.

ADVANCING RENEWABLE, NATURAL INGREDIENTS

Our future as a fragrance and taste company depends on our ability to innovate responsibly. The launch of the Firgood™ collection highlighted our efforts to relieve pressure on precious natural resources. These ingredients pioneer a proprietary extraction technology that enables the processing of biomass never previously used at an industrial scale for natural fragrance and flavor ingredients.

Furthermore, with the integration of DRT, Firmenich has built the world's largest platform for renewable, biodegradable, and sustainable ingredients for fragrances, flavors and nutrition, reinforcing our ability to expand and innovate with new environmentally friendly products.

In FY21, we also established new strategic partnerships that engage our suppliers in building the most sustainable, ethical, and traceable value chain.

GUIDED BY THE SDGS

Our holistic approach to sustainability is rooted in our values and purpose. The developments in FY21 outlined in this report demonstrate how deeply the UN Sustainable Development Goals (SDGs) are embedded in our growth

strategy, as a compass for our action. As members of the UN Global Compact (UNGC) since 2008, and a UN Global Compact LEAD company since 2019, we continue to be guided also by the UNGC's Ten Principles in the areas of human rights, labor, the environment and anti-corruption.

We have reinforced this commitment by joining the UNGC's CFO Taskforce, sharing knowhow on sustainable corporate finance and scalable investments to help generate ESG impacts.

Such collaboration and alliances, which are echoed in our founding membership of One Planet Business for Biodiversity (OP2B), and the Business Ambition for 1.5°C coalition, are essential to amplify our progress, and to drive ever higher global benchmarks for sustainable action.

MAPPING OUR AMBITIOUS FUTURE

We published our ESG Ambitions 2030 in FY21, working across the ESG spectrum to set our strategy for the decade ahead. Our ambition is to be #1 in renewable ingredients, in conscious perfumery, and in dietary transformation. We have mapped out this transformational journey with long-term goals and mid-term targets in three streams: Acting on Climate; Embracing Nature; and Caring about People.

They include the boldest carbon emissions commitment in our industry: carbon neutrality by 2025 and a carbon positive impact beyond that date. By 2030, we will have achieved absolute carbon emission reduction in line with the 1.5°C Science-Based Targets; as well as pace-setting goals, ranging from water use and regenerative agriculture to human rights and equal pay.

To secure our industry leadership in ESG performance, we have decided to add two critical ESG criteria to the Long Term Incentive plan for Senior Leaders, based on CO₂ reduction and gender & ethnic diversity of Senior Leaders.

As creators of emotions through the senses of taste and smell, touching over four billion people every day, we are striving to provide essential solutions that rise to the challenges of a post-pandemic world, for our customers and all our stakeholders: our people, the planet, and society.

PATRICK FIRMENICH,
Chairman of the Board



GILBERT GHOSTINE,
Chief Executive Officer



Business highlights

PERFUMERY & INGREDIENTS

We accelerated our innovation, redefining the future of fragrance in collaboration with our customers, based on deep consumer insights and world-class scientific research. Backed by science, we are elevating the role of fragrance to improve quality of life through hygiene, mental health, and wellbeing. We have also rolled out enhanced digital capabilities, launching Scentmate™, the first fully integrated AI-enabled fragrance platform aimed at entrepreneurs and independent brands. We have continued to strengthen our product claims, performance-driven creation, and recognized sustainability leadership.

We are leading the call for Conscious Perfumery, and have committed to ambitious 2030 ESG ambitions, such as **99%** biodegradable ingredients and **70%** renewable or upcycled carbon content fragrances. We are reinventing fragrance design through impactful science, responsible sourcing, and digital transparency. Our longstanding focus on sustainability is recognized by our key customers and is a source of competitive advantage for Firmenich.

We continue making progress on the integration of DRT, the largest acquisition in the history of Firmenich, which will make us the leader in renewable and naturally derived ingredients. Through our acquisition of MG International, we reinforced our presence in the mid-market in Turkey and the Middle East. We also acquired a non-controlling stake in Essential Labs, a digitally native supplier of fragrance solutions to entrepreneurial businesses in the U.S. premium home market segment with a potential future path to control, depending on performance. We signed an exclusive partnership with Coop SCA3P, the world's leading producer of natural lavandin.

We have streamlined and upgraded the organization across Perfumery & Ingredients, reinforcing our close relationships with global customers, improving service to regional and local businesses, and seizing opportunities with mid-to-small sized ventures. We have invested to attract top talent, including our new Chief Consumer & Innovation Officer, and senior regional, functional, and key account leaders in Consumer Fragrance and Fine Fragrance, as well as our new Chief Supply Chain Officer and Chief Procurement Officer.

TASTE & BEYOND

Taste & Beyond delivered strong performance, building on deep consumer insights to increase the focus of our project pipeline, driving innovation to serve evolving consumer needs, extending external partnerships and upgrading our organization.

Taste & Beyond division has been driven by Beverages and Sweet Goods, adapting with agility to a very volatile context, while maintaining best in class customer service.

Despite the challenges posed by the COVID-19 pandemic, we took action to ensure business continuity, avoiding disruption of our supply chain and maintaining manufacturing and laboratory capabilities to continue to deliver to our customers consistently, while continuing to keep our colleagues safe.

From the onset of the pandemic, we launched deep consumer insights surveys across **22** countries, to better understand and anticipate consumers' evolving needs relative to food and beverage choices. Consumer needs have changed rapidly, with higher expectations of what food and beverages should deliver, and we have worked with customers to help them adjust their projects. Moving first to develop these insights clearly differentiated

Firmenich in FY21, enabling better customer intimacy, and allowing us to better align our innovation pipeline to fuel growth.

Embracing the shift in consumer expectations, we renamed our division Taste & Beyond, to reflect our strategic transformation. We are transforming ourselves beyond, to co-create the next generation of food and beverages and to lead dietary transformation through our innovation in four key areas:

- › Sugar and salt reduction solutions
- › Meat and dairy analogs with SmartProteins® solutions
- › Best-in-class nutrition
- › Natural transformation and Clean label

Continuing to invest for the future, we increased our stake in ArtSci and deepened our partnership, taking advantage of the growth in China. In meat and dairy analogs, we rolled out the Campus model in key geographies, including North America, China and Singapore, offering complete solutions to customers with an expanded product portfolio. We have continued to successfully build on our previous acquisitions of VKL, Natural Flavors and Flavourome. We also signed a strategic partnership with Authentic Products in Madagascar, committing to the most sustainable, ethical, and traceable value chain in vanilla.

We have accelerated on our digital transformation journey. We are proud to have launched the world's first Flavor designed with the help of Artificial Intelligence. We leverage our digital tools to support our creators, increase our agility and responsiveness to client briefs and streamline the client experience through our e-commerce channel.

ESG performance highlights

PERFORMANCE



- > 100% Renewable Electricity – incl. in all new acquisitions
- > SBT aligned with 1.5°C and -37.1 % Scope 1 & 2 CO₂e emissions vs. 2017
- 2.6% Scope 3 CO₂e emissions¹ vs. 2017
- > Two manufacturing sites carbon neutral

SUSTAINABLE DEVELOPMENT GOALS



1 of 2 companies worldwide
Triple A for 3 consecutive years

ASSESSMENTS



- > First company in the world achieving full certified Biodiversity Risk Management (ABS)
- > 96.3% Ultimately or partially biodegradable ingredients in our fragrance portfolio



100% UEBT verification of our integrated biodiversity strategy

RATING



ESG Risk Rating Score: 8.6
Top 1% of 14,000 + companies rated
1st in our industry

¹ Scope 3 emissions from purchased goods and services



- > Achieved no gender pay gap
- > 79% of employees feel they belong at Firmenich
- > 0.23 Total Recordable Case (TRC) rate
- > Zero human rights non-compliance in our operations
- > 47% of Senior Leaders are diverse²



Global EDGE MOVE certification upgrade in 2021,
7th company EDGE certified worldwide since 2018



Top 1% of 75,000+ companies
Score: 83/100

² Members identified as female and/or ethnically diverse. Senior Leaders are Executives, Senior Presidents, selected Vice Presidents, Senior Directors and Creators that are members of the Senior Leadership Team

02

Firmenich ESG Strategy



Environmental, Social and Governance (ESG) strategy

We started our sustainability journey in 1991 with the signature of the International Chamber of Commerce's first sustainability charter. Our future increasingly depends on our ability to innovate responsibly while building on our timeless values and our legacy of sustainability leadership.

Our sustainability framework is holistically embedded at the heart of our company strategy. We see the next 10 years as a transformational journey towards business for good powered by science. However, the global challenges of the next decade are such that Firmenich cannot succeed alone.

We will only meet our goals if we can engage our stakeholders in the journey, working together with our customers, suppliers, and partners.

Our strategy focuses on three streams in which we can make the biggest difference: Acting on Climate Change, Embracing Nature and Caring about People. This is aligned with the United Nations Sustainable Development Goals (SDGs) and supports our business objectives. It involves everyone in our supply chain, and it empowers every colleague to make change happen.

To design this strategy, we collected inputs from a wide range of colleagues, we conducted online workshops and we consulted with external stakeholders to ensure that our new ambitions have been shaped by co-ownership and co-accountability.

The Firmenich ESG Ambitions 2030 were launched in February 2021. Our CEO and the Executive Committee presented our new vision to the media in tandem with presentations and dialogue across the Group. Business divisions have also designed deployment programs to create awareness within their teams and ensure that all colleagues integrate our ESG ambitions in their own performance objectives.

SUSTAINABLE DEVELOPMENT GOALS



Firmenich ESG ambitions

#1 in conscious perfumery
in diet transformation
in renewable ingredients



2025 TARGETS

Carbon Neutral in our operations
50% reduction in Scope 1 & Scope 2 and
8% reduction in Scope 3 CO₂e emissions vs 2017
Zero Waste to landfill
100% Renewable Electricity
100% Plastic packaging fully recyclable or reusable

70% Renewable ingredients
90% Certified Terpenes & Resins
100% Fragrances made of
99% Biodegradable Ingredients
100% certified biodiversity risk management approach

Zero human rights non compliance in our operations
No gender Pay Gap - **No** Ethnic Pay Gap
+50% of Senior Leaders are diverse
100% Living Wage in our operations
50 Certified ingredients
Safety: Total Recordable Case (TRC) rate below **0,20**

DRIVERS



IMPACTFUL SCIENCE



RESPONSIBLE SOURCING



BUSINESS ETHICS



DIGITAL ACCELERATION

#1 CONSCIOUS PERFUMERY



Made of 33% renewable (ISO 16128) or upcycled carbon content in our fragrance portfolio

Analyze 100% of fragrance products for environmental impact



≥ 95% Ultimately or partially biodegradable ingredients in our fragrance portfolio



Maintain 100% compliance with IFRA standards
Embrace transparency with disclosure of ingredients down to 900/100ppm

OUR 2025 GOALS

Firmenich's perfumery ambition is to create high-performing fragrances made of renewable and sustainable ingredients that leave no trace in the environment and offer a reduced carbon footprint. Our approach is designed to generate positive emotions and contribute to consumers' healthy, sustainable lifestyles. In January 2020, we launched CreateForGood™ to formalize these tenets and reinvent fragrance design. Informed by consumers, CreateForGood™ integrates key notions of naturalness, sustainability, regulatory, transparency and sensorial perceptions into one eco-design process, which is verified by EcoScent Compass™, our integrated science-based impact measurement tool. We commit to assess 100% of our fragrance portfolio by 2025 in order to provide fact-based transparency and drive constant improvement in our product formulations.

POWERED BY CREATEFORGOOD™ & ECOSCENT COMPASS™



IMPACTFUL SCIENCE



RESPONSIBLE SOURCING



BUSINESS ETHICS



DIGITAL ACCELERATION

#1 TASTE & BEYOND



Analyze 100% of flavor products
for environmental impact

Our SmartProteins® will help
reduce 3.3 million metric tons of CO₂ emissions, save 215 billion liters of water / year



Contribute to the
global diet transformation
with our
green proteins accelerating regenerative agriculture

POWERED BY ECOFOOD COMPASS™



Reduce calories
from sugar in people's diet up to
2 trillion calories
(170% reduction vs 2020)

OUR 2025 GOALS

We are experiencing a rapid transformation in diets, with health, nutrition and naturals driving food business growth around the world. Our Taste & Beyond priorities for flexitarian diets, nutrition, naturals and clean labelling are aligned with our sustainability ambitions on Climate, Nature and People. We are addressing current diet transformation trends through our taste solutions for salt and sugar reduction.

We commit to accelerate healthy solutions globally by removing **700,000** metric tons of sugar from our customers' products by 2030.

Our SmartProteins® solutions for plant-based protein alternatives are also contributing to the future of food, with their positive impacts on climate and nature. We plan to ramp up our SmartProteins® solutions to advance the transformation of plant-based proteins cultivated with regenerative agriculture to improve soil health and restore biodiversity.

We are actively addressing label transparency and origin traceability in food and beverages and continue to evolve our flavorist palette through a robust portfolio of natural ingredients. EcoFood Compass™, our integrated, science-based impact measurement tool, delivers the data we need to monitor our progress. We plan to evaluate **100%** of our flavors portfolio by 2025 to provide fact-based transparency and drive constant improvement



IMPACTFUL SCIENCE



RESPONSIBLE SOURCING



BUSINESS ETHICS



DIGITAL ACCELERATION

#1 RENEWABLE INGREDIENTS



75% of our suppliers
who respond to CDP water
have set reduction targets

Suppliers representing
80% of our raw material spend
answer CDP climate change
and set improvement plan



10 new sourcing partnerships
including a focus
on farming practices,
biodiversity conservation and water management

100% of our natural sourcing
integrates biodiversity protection
through risk management



Train 100 major suppliers on human rights
and responsible sourcing

10 new initiatives at source
including focus on women
empowerment, education, human
rights practices and living wages

OUR 2025 GOALS

We deliver ingredients that are renewable and responsible. For more than 20 years, we have pioneered the use of green chemistry principles in our day-to-day research and the ongoing development of our ingredients. Our vision is to reinforce our position as a leading company in renewable ingredients. In designing our sustainable ingredients and their manufacturing processes, our approach is truly multidisciplinary. We strive for science-based impact measurement and transparency through our EcoIngredient Compass™, which helps us adapt our production processes to constantly improve our climate and nature footprint. We have also bolstered our traceability capabilities in collaboration with our procurement and digital innovation teams.

POWERED BY ECOINGREDIENTS COMPASS™



IMPACTFUL SCIENCE



RESPONSIBLE SOURCING



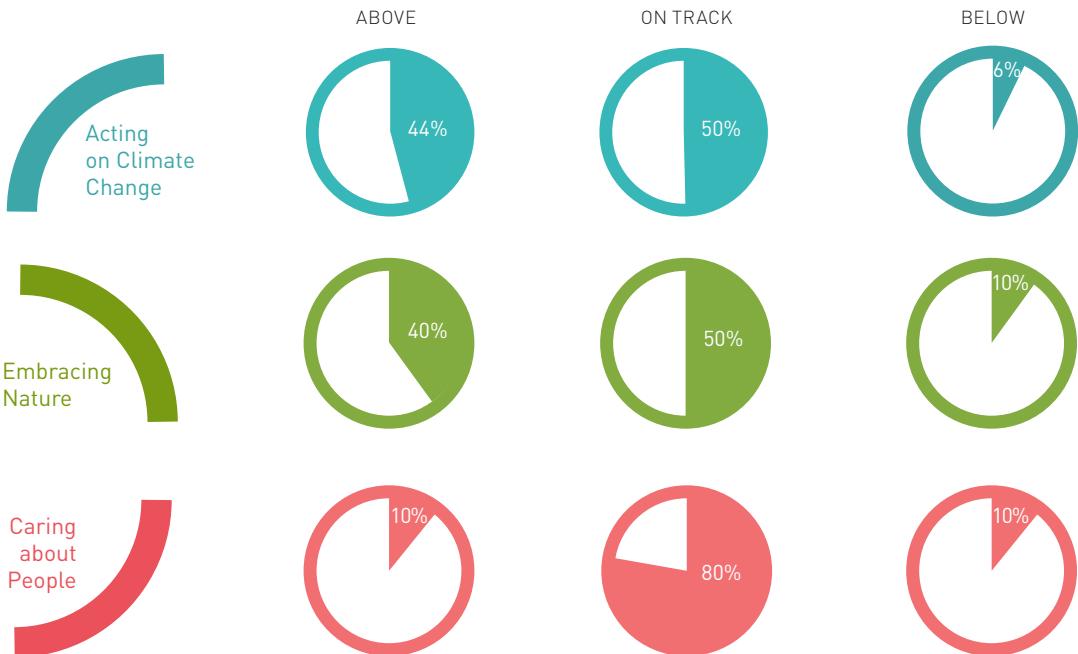
BUSINESS ETHICS



DIGITAL ACCELERATION

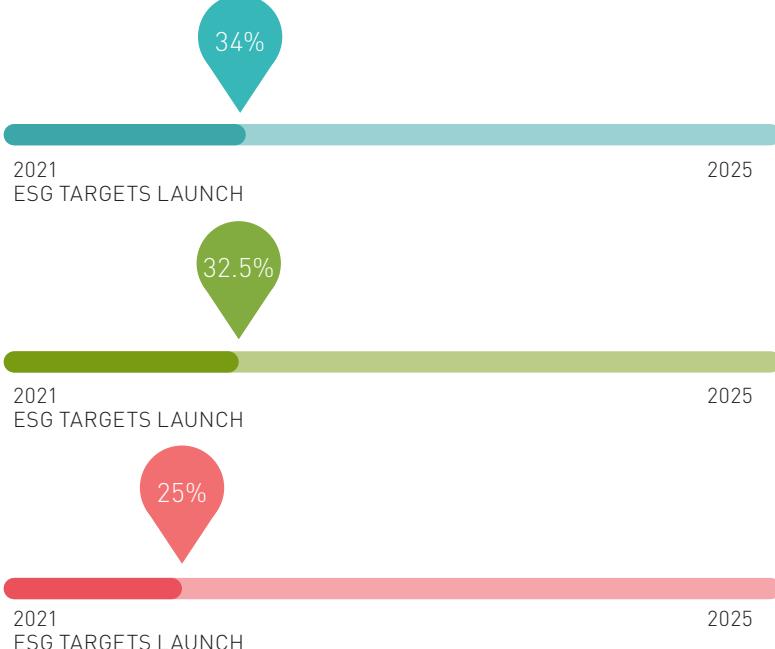
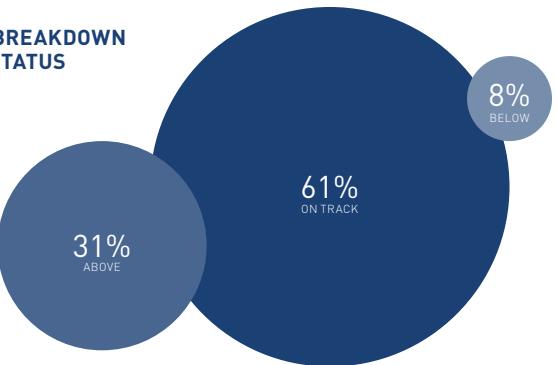
ESG performance against our 2025 targets

ESG 2025 TARGETS BREAKDOWN BY PILLAR AND PERFORMANCE STATUS



Performance against individual targets can be found in the chapters on Climate, Nature, People and Business for Good.

2025 ESG TARGETS BREAKDOWN
BY PERFORMANCE STATUS



OUR ESG PROGRESS 2021-2025
Based on our internal methodology



Pathways to Positive by Bérangère Ruchat (Berry)

Berry, in February 2021 Firmenich launched its ESG Ambitions 2030, including its 2025 goals. Can you explain how this new set of goals is influencing our FY21 reporting?

This is Firmenich's **16th** sustainability report. Every year, come spring, we are excited to kick off the reporting season and for the opportunity to take stock of our achievements. It is also a time to engage with around **60** colleagues who contribute to the report. We are proud to produce our sustainability report in-house and continue not to outsource this process, as a way to drive shared ownership and accountability. This year, we raised the bar following the launch of our ambitious goals in February. These new goals together with the Global Reporting Initiative standards (GRIs) structure our FY21 reporting format. As trust and transparency with our stakeholders is essential, we ensure a robust and independent report auditing process.

In recent years Firmenich has been growing rapidly through important acquisitions. How are you driving the Firmenich responsible business model across the Firmenich Group?

We share our responsible business culture with all our new colleagues, and our ESG ambitions are a core component of our integration processes. We have sustainability experts across the Group, and, in some entities, we have a sustainability experts team in place reporting to me to ensure full alignment. I should also note that our new colleagues bring complementary expertise and networks of stakeholders. Training, coaching and mentoring is of course used across the Group to constantly elevate our responsible business practices and ESG performance.

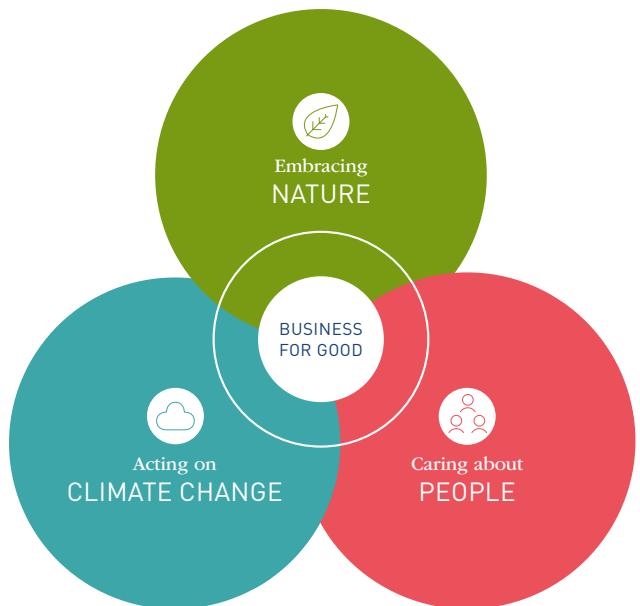
This fiscal year Firmenich continued to strengthen its ESG performance, earning industry-leading ratings, including from CDP and Sustainalytics. New strategic certifications such as EDGE Move also underscore the importance of third-party verification. Firmenich is seen as a leader, but success does not come without challenges. Can you describe some of your learnings?

For us sustainability is a path, a journey through which we learn from our customers, suppliers and all our stakeholders. This year we kept learning about the importance of a transversal approach to manage our ESG risks by following an end-to-end mindset from the source to the consumer. We manage topics such as responsible procurement, human rights, biodiversity and innovation through networks across divisions. Strong ESG performance requires organizational transformation and a deep mindset change where colleagues beyond the sustainability team feel a sense of accountability. Throughout this report, we share learnings from our first Sustainalytics rating experience and from the continuation of our B Corp journey.

What key word do you feel best describes FY21?

The word "essential" has resonated in many discussions with my team. Sustainability is essential to the success of Firmenich, even more so after the COVID-19 pandemic. Taste solutions and fragrances are essential to societal wellbeing. At the core of our strategy, we have an aspiration to become #1 in renewable ingredients, #1 in diet transformation and #1 in Conscious Perfumery, all of which are essential to generate positive impacts on climate change, nature regeneration and people protection. **WE ARE ESSENTIAL**, this is the theme of our 2021 report.

ESG organization & governance



ESG ORGANIZATION

GRI 102-20 requires an organization to disclose if it has appointed an executive-level position(s) with responsibility for economic, social and environmental topics, and if this person reports directly to the Board of Directors. Firmenich created a Chief Sustainability Officer (CSO) position in 2020. The CSO reports directly to the Chief Human Resources Officer (CHRO), and is responsible for the development and execution of the ESG strategy while maintaining Firmenich's leadership position and sustainability performance. The CSO also reports regularly on progress to the Chief Executive Officer (CEO). The CSO supervises the Corporate Sustainability team and works directly with a wide network of sustainability experts across the Firmenich Group. The CSO provides advice to company leadership.

GRI 102-31 requires an organization to disclose the frequency of the Board of Directors' review of economic, environmental and social topics and their impacts, risks and opportunities. At each quarterly Board meeting, the CEO presents to the Board a CEO report which covers (amongst other things) economic, environmental and social updates on things that have occurred in the previous quarter. Annually, the Board reviews and approves the issuance of the annual sustainability report. This review fulfills **GRI 102-32**, which calls for the highest committee or position in an organization to formally review and approve the organization's sustainability report and ensure that all material topics are covered.

ESG GOVERNANCE

The integration of ESG ambitions across the Firmenich group – from the boardroom to the shop floor – requires a dedicated expert team, but also a structured, transversal approach to awareness-raising and decision-making. In the past year, the various bodies of our ESG governance have helped accelerate ESG integration, resulting in significant organizational transformation.

COMMITTEES / COUNCIL



BIODIVERSITY COMMITTEE



CSR COMMITTEE DRT



CSR COMMITTEE INDIA



ENVIRONMENTAL INTEREST GROUP (EIP)



HUMAN RIGHTS COMMITTEE



INCLUSION, DIVERSITY & BELONGING COUNCIL



TRACEABILITY COMMITTEE

TOPICS

Strategy Development
Operationalization
Performance tracking

Coordination of DRT ESG projects, report DRT ESG performance, integrate DRT and Firmenich ESG strategy

Define CSR strategy
Projects Selection
Giving strategy
Projects monitoring and evaluation

Knowledge sharing
Landscape monitoring
Partnerships
Industry collaboration

Human Rights Due Diligence
Risk Mitigation
Regulatory Watch
Operationalization of policies

Champion the implementation of our Diversity & Belonging strategy across North America
Design and implement impactful initiatives
Support and coach local teams

Strategy Governance
Pilot Projects
Knowledge Sharing
Benchmarking

MEMBERSHIP

General Counsel
Chief Sustainability Officer
Director biodiversity compliance and strategy
Business divisions, Research & Development, Regulatory Services and Procurement

Chaired by DRT Corporate Social Responsibility Director leadership, including DRT and Firmenich leadership in Operations, Human resources, sourcing and Health, Safety & Environment

India Managing Director, CFO and head of legal

R&D, Legal & Compliance, Environment Excellence, Perfumery, Ingredients

Chief Human Resources Officer
Chief Sustainability Officer
Chief Procurement Officer
VP Operations
Senior VP, Global QHSE
Senior VP Legal Counsel
VP Business Ethics
GM FIRSA and VP HR

Human Resources, Business, Communications and Sustainability Champions across regions

Chief Information Officer
Chief Operating Officer
Chief Procurement Officer
Chief Sustainability Officer
Chief Innovation Officer
Perfumery
VP Strategy Ingredients, VP Sales Taste & Beyond

Stakeholder engagement

Continuous engagement with all our stakeholders drives our inclusive business model. Stakeholder engagement is not only central to our business strategy, it also allows us to achieve our sustainability commitments. We take a collaborative approach in our work with stakeholders and cultivate long-term relationships with all of them. Firmenich's engagement with its wide diversity of stakeholders has evolved this year, influenced by four external factors:

- › As part of our journey to B Corp, we have formalized our approach to a stakeholder-driven capitalism model. While our shareholders remain central to our company's growth, we take care that all our other stakeholders play a key role in contributing to our inclusive business model
- › This year we received our first Sustainalytics rating. We achieved a leading industry score but have also identified areas for improvement. These include formalizing a policy and guidelines covering our relationships with the communities that we work with, as described in our People chapter
- › The COVID-19 context has made our relationship with the communities where we operate even more important. We played a critical role in supporting our colleagues, their families and their communities throughout this difficult period

› Investors are now a new group of stakeholders for the Group. Firmenich issued public debt in April and May 2020 in the form of senior bonds and hybrid bonds. These bonds are traded on the SIX and Euronext markets and were acquired by several investors, primarily institutional

GRI DISCLOSURE ON STAKEHOLDER ENGAGEMENT

We have summarized the GRI requirements for stakeholder engagement in a detailed table and listed stakeholder groups by alphabetical order. These disclosures include:

GRI 102-40: A list of stakeholder groups engaged by the organization (e.g., civil society, customers, employees, suppliers, etc.).

GRI 102-42: The basis for identifying and selecting stakeholders, including the process for defining stakeholder groups and the process for determining the groups with which to engage and not engage.

GRI 102-43: The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

GRI 102-44: Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded to those key topics and concerns, including through its reporting; and the stakeholder groups that raised each of the key topics and concerns (e.g. results and key conclusions of customer surveys that indicate customer satisfaction/dissatisfaction relating to the organization or a specific product or service).

GROUPS GRI 102 - 40	SELECTION GRI 102 - 42	ENGAGEMENT GRI 102 - 43	TOPICS GRI 102 - 44
CIVIL SOCIETY	We have historical NGO partners with whom we have worked with for years. We engage with NGOs based on their capacity to influence the global agenda on Climate, Nature, and People, as well as their expertise and their reputation in ethics and good governance	Ongoing dialogue, face-to-face meetings, representation in governance, conferences, webinars, training, collaborative projects, partnerships, support to social media campaigns, philanthropic donations	SDG agenda, access to education, access to nutrition, access to water and sanitation, biodiversity and regenerative agriculture, ethnic diversity, women's empowerment, human rights and living wage
COLLEAGUES	We value employee feedback so we can improve our systems, processes and working methods. This also helps us proactively identify potential concerns	Intranet, "Tell us how you feel" survey, open-door events, quarterly Prime meetings, town hall meetings, social media, training	Business strategy, customer expectations, health and wellbeing, career development, social benefits, diversity, belonging, sustainability
COMMUNITIES	We seek to generate a positive impact where we operate and where we source. This engagement is essential to secure our license to operate, strengthen local growth and markets, and improve the livelihoods of smallholder farmers	Community day, Firmenich Foundation projects, sourcing projects and investments at source and other engagements as described in our policy on communities engagement	Needs resulting from the pandemic, local, social and environmental projects, local procurement and recruitment, access to health and education, sustainable agriculture, livelihoods, education
CONSUMERS	We select consumers based on our own practices, methodologies and partnerships	Perfumery has conducted 90 studies with 23,000 consumers in 15 countries. Taste & Beyond has consulted with more than 35,000 consumers in 22 countries, through 4 studies	Emotions, health, wellbeing, conscious consumption, clean future, naturalness, clean design, impact of COVID-19
CUSTOMERS	We work with our customers to respond to their needs as well as to the needs of retailers and consumers. We create and produce responsible products. We contribute to like-minded companies' alliances, including many customers	Face-to-face meetings, customer service, partnerships at source, industry meetings, questionnaires, roundtables, digital traceability application, sustainability reporting, social media, joint engagement on policy dialogues, joint philanthropic contributions, such as for breast cancer	Ethical business practices, product safety and quality, product circularity, environmental and social footprint of products, human rights, consumer preferences and expectations

GROUPS GRI 102 - 40	SELECTION GRI 102 - 42	ENGAGEMENT GRI 102 - 43	TOPICS GRI 102 - 44
EDUCATION AND RESEARCH BODIES	We work with leading knowledge partners on ESG topics: including Cambridge, INSEAD, IMD, Wharton, Berkeley, Sciences Po Paris, Copenhagen Business School, Lausanne Business School (HEC). We have dedicated science partnerships, and professional schools in fashion and arts	ESG case studies, lectures, creative weeks, internship programs, coaching and mentoring, co-authorship of publications and books, contribution to exhibitions	On ESG: responsible luxury, inclusive business model, responsible sourcing, leadership transformation On R&D: various topics linked to impactful science
GOVERNMENTS MULTILATERAL ORGANIZATIONS	We engage with institutional partners at the local, national, European and global level on our three strategic streams. Our vision is to reinforce common understanding and join forces on climate, nature and human rights	Ongoing dialogue, meetings, advocacy, collective platforms, commitments	European Green Deal, SDGs national agenda, biodiversity global agenda, decent work in supply chain, responsible finance, standards definitions
INVESTORS	Firmenich issued public debt in April and May 2020 in the form of senior bonds and hybrid bonds. These bonds are traded on the SIX and Euronext markets and were acquired by a number of investors, primarily institutional	Investor Portal, Direct interaction with Head of Investor Relations, Press Releases twice a year for results publication, and on an ad hoc basis for any material information. Investor calls with senior management take place twice a year at results publication. Annual Report, Half-Year Report, Sustainability Report, investor mailing list	Business, financial, sustainability performance, responsible finance, market and industry trends, financial policy, financial outlook and ESG ratings
SHAREHOLDERS	The Firmenich family receives regular updates on the sustainability strategy and performance of the Group	Annual Sustainability Report	Sustainability performance, value creation, positive impact, risk management
SUPPLIERS	We have a diverse group of suppliers based on size, geographies, types of goods and services. Our selection of suppliers is driven by our Code of Conduct and our policies	Questionnaires, audits, reporting, social media, conferences, individual calls, digital traceability platform Path2Farm™, CDP, Sedex and EcoVadis requirements	Product safety and quality, ESG ambitions, traceability, certifications, availability, regenerative agriculture, resilience, human rights, contribution to the SDGs

Collective actions

PARTNERSHIPS

Our partnership heritage is firmly rooted in the belief that close collaboration is the only way to drive positive change at scale. We consider partnerships as integral to our inclusive business model. We define partnerships as collaborations structured by a contract, including joint deliverables and financial contributions. In some instances, partnership encompasses direct participation or a role in governance. As partners, we contribute to strategy development, and we offer time and expertise. Partnerships are the highest level of collaboration compared to memberships and commitments.

This year, we welcomed new partners that contribute directly to our ESG ambitions. Our partnership with the Swiss Food and Nutrition Valley will increase our impact in diet transformation. Our partnership with the Renewable Carbon Initiative will be instrumental in achieving our ambition to become the leader in renewable ingredients.

	GOVERNANCE ROLE	FINANCIAL CONTRIBUTION	IN-KIND CONTRIBUTION	START DATE
UN GLOBAL COMPACT NETWORK SWITZERLAND	●	●	●	2011
CSR JUICE	●	●	●	2015
ONE PLANET BUSINESS FOR BIODIVERSITY	●	●	●	2019
SWISS FOOD AND NUTRITION VALLEY	●	●	●	2020
SWISS TRIPLE IMPACT	●	●	●	2020
INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE	●	●	●	2021

MEMBERSHIPS

GRI 102-13: requires a list of a company's main industry memberships or other associations and national or international advocacy organizations. Firmenich is part of **83** industry association bodies at the global and national level in all the countries where we operate. In addition, we have a range of memberships in advocacy organizations supporting the advancement of strategic topics directly related to our three ESG streams: Climate, Nature and People. The table below illustrates some of these memberships.

INDUSTRY-DRIVEN MEMBERSHIPS

American Cleaning Institute (ACI)
Groupement des Entreprises Multinationales de Genève (GEM)
International Federation of Essential Oils and Aroma Trades (IFEAT)
International Fragrance Association (IFRA)
International Organization of the Flavor Industry (IOFI)
Research Institute for Fragrance Materials (RIFM)
Science Industries – Business Association Chemistry Pharma Life Sciences
SUSCHEM – European Technology Platform for Sustainable Chemistry

ESG-DRIVEN MEMBERSHIPS

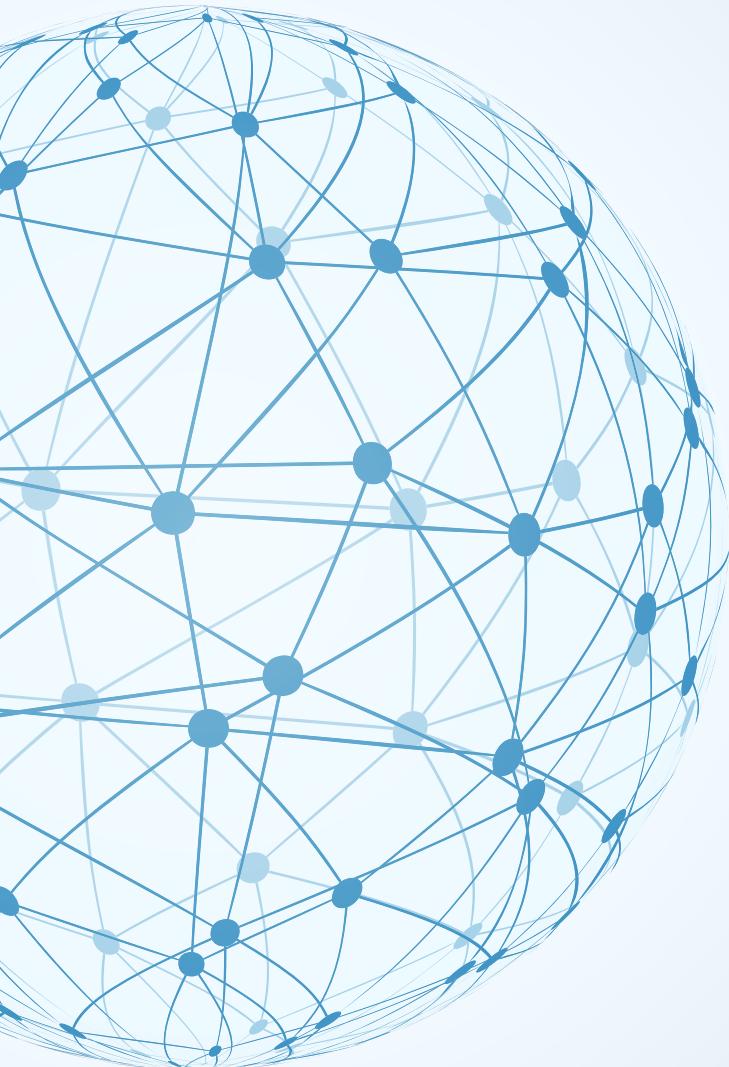
Global Alliance 4 Youth
Global Apprenticeship Network (GAN)
RE100 Initiative – 100% Renewable Electricity
Science-Based Targets Initiative for Climate
Science-Based Targets for Nature (SBTN)
Sustainable Agriculture Initiative (SAI)
Sustainable Vanilla Initiative (SVI)
United Nations Global Compact (UNGC)



COMMITMENTS AND ENDORSEMENTS

This section relates to **GRI 102-12**, presenting a list of externally developed economic, environmental and social charters, principles, or other initiatives to which we have endorsed or subscribed to. The table below illustrates our commitments and endorsements associated with our three strategic pillars, some of which apply to multiple ones.





ESG regional deployment

Every year, Firmenich receives a management report from external and independent auditors certifying our ESG report that includes areas for improvement. The auditors noted that Firmenich was not specifically reporting on the regional penetration of our sustainability strategy and commitments, and suggested that references to local policies related to our ESG priorities needed to be covered, as well as examples of local projects and commitments.

For decades, our Firmenich Fundamentals have informed our responsible business values. This set of policies and standards based on universal values guides our actions and impacts at all levels and in all regions of the world. Today, with our new ESG ambitions, we are taking the same approach as with our Fundamentals, expressing a global vision that is implemented through local operationalization.

These ESG ambitions have been shared by our CEO Gilbert Ghostine with all Firmenich employees in global online townhall events. Every division is developing their own deployment plan in their regions. The ESG ambitions are our common lighthouse and are being operationalized in all businesses and regions. While this report aggregates our performance at a global level, it also includes many local case studies. We created a map to summarize a few examples of locally driven actions based on our global ESG ambitions and selected local issues shaping our priorities.

Regional ESG key themes

REGIONAL DEPLOYMENT OF OUR GLOBAL ESG STRATEGY

REGIONAL ESG PROJECTS EXAMPLES

Projects related to:

CLIMATE NATURE PEOPLE

All our affiliates have been working on our ESG roadmap, we only illustrate a few projects here

- Black empowerment
- Climate resilience
- Decarbonization
- S of ESG rising interest

- EU Green Deal
- Responsible Business Initiative, Switzerland
- Non-financial reporting

- Community investments
- India CSR tax
- Green innovation
- SMART cities



AMERICAS

- Waste Management, Newark (USA)
- Water use (Brazil)
- Wetland restoration, Newark (USA)
- Rainforest Fund (Ecuador)
- Black Advisory Council (North America)
- Visually impaired colleagues (Mexico)

EUROPE & AFRICA

- RSPO audit (UK)
- FSC Certification boxes & Pallets (Europe)
- Rainwater harvesting (South Africa)
- Solar panels (South Africa)
- Biodiversity Mercantour (France)
- Ecological restauration (Switzerland)
- Mental health training (Switzerland)
- Agricultural training center (Madagascar)

ASIA & PACIFIC

- Waste water project (China)
- Solar project (Singapore)
- Afforestation in patchouli, (Indonesia)
- Organic jasmine (India)
- Digital Innovation for visual impaired (Singapore)
- CSR Committee (India)
- Great Place to Work (India)



Insights from our President of China, Paul Andersson

Paul, as the President of Firmenich China you received a very special recognition in October 2020. Can you tell us more?

It was a great honor to receive an Outstanding Contributor award for leadership during COVID-19 from the China Association of Fragrance, Flavor and Cosmetic Industries (CAFFCI). The award recognized our efforts in resuming normal operations in China, ensuring all our colleagues' safety as a first priority, while helping to ensure the supply of critical hygiene and food products to the Chinese market during the pandemic. Firmenich was the only Flavor and Fragrance house to receive this recognition among the three individuals and 82 companies rewarded across all industries in China. When I received the award, the President of CAFFCI, Mr. Chen Shao Jun, highlighted the critical role Firmenich plays in the "livelihood economy", especially during the pandemic. We were cited for walking the talk and setting a high bar for responsible business in our industry. I would like to add that our team in China demonstrated a remarkable commitment to customer focus, service delivery and safety management during the pandemic.

In FY21 you launched a new innovation for our colleagues with different abilities in China. Please share more details.

We launched a newly-developed digital tool, which is the 4th generation digital device tailored for visually impaired panelists in Flavors China. Thanks to the strong collaboration between our Information Services (IS) and our Taste & Beyond Consumer Insights team in China over the past 6 months, the visually impaired individuals working for Firmenich as tasters are now able to engage more efficiently in their testing work by

using this new tool. It also demonstrates our commitment to drive diversity and inclusion through digital efforts around the world. Over the past few years, we designed various devices to help our panelists apply their knowledge to work easily, from manual to digital, from wire to wireless, and from single file to database analysis. In line with our digital-driven mindset and our Fundamentally Digital strategy, the evolution never ends.

You started your mission in China a little bit before COVID-19, and you overcame the crisis with a very strong personal resilience, creating the right conditions for the China team to succeed.

Yes it has been the most fascinating 12 months. In April, we received four top business awards from the XinZhuang Industrial Park, where we operate in Shanghai. We were recognized for our outstanding contribution to the local economy and community over the past year. During the ceremony held on March 25, 2021, the organizers highlighted our leadership in managing the COVID-19 crisis. Firmenich China was honored to receive the 2020 Outstanding Contribution and 2020 Top 100 Enterprises awards. In addition, The Home of Outstanding Employees Award went to the Firmenich China Union. These prestigious awards reflect our best practices on responsible business, our inclusive culture and our excellent performance in safety and compliance. I was also honored with the prize for Outstanding Entrepreneur.

03

Acting on Climate Change





Insights on Climate Change by Neil McFarlane

Neil, as Senior Vice President, Global QHSE, you have been driving Firmenich's environmental action for two decades. Under your helm, the Company became a leader in environmental management. Can you share your vision for climate change action?

Firmenich is taking actions to minimize its impact, and we are leading our industry towards a carbon neutral future. As an early member of Business Ambition for 1.5°C, a coalition of over **600** companies committed to net zero by 2050, we have set emissions reductions targets to keep global warming below 1.5°C, in line with the Paris Agreement. We are fully committed to pursuing our vision of a zero-impact future, and we will reach carbon neutrality in our direct operations by 2025.

Acting on climate change cannot rely on vague commitments; it requires performance and impact measurement. How have you integrated this thinking at Firmenich?

Firmenich set ambitious environmental targets for 2025 and 2030, and we track our progress annually. We were the first company in our industry to reach 100% renewable electricity globally in 2020 and this year Firmenich was one of only 10 companies worldwide, out of more than **9,600** assessed, to achieve a Carbon Disclosure Project (CDP) triple A for climate change, water security and forests, and one of only two companies in the world to achieve this recognition three years in a row. This world-class distinction recognizes our commitment to responsible business, supported by science-based targets and industry-leading environmental goals.

Despite the COVID-19 crisis, awareness of the climate emergency appears to be growing. As a pioneer in environmental action, does this make you optimistic?

The United Nations says the decade from 2011 to 2020 was the warmest on record, so now is clearly the time for bold and swift environmental action. Firmenich will reach carbon neutrality in its direct operations by 2025, and water neutrality in its direct operations in water-stressed areas by 2030. We have set these ambitious targets not only to challenge ourselves, but also to drive change in our industry, in our supply chain and beyond. We need urgent and concerted global action to address climate change. At Firmenich, we are taking the necessary measures to minimize our impact and aim to lead our industry towards carbon and water neutrality.

The next decade will be critical to save the planet. 2030 is the year that the United Nations Sustainable Development Goals (SDGs) need to be reached. Is the Firmenich Pathways to Positive going in the right direction?

We made our first public environmental commitment three decades ago and, ever since, our focus has been unwavering. We are making great inroads on our vision to be carbon neutral in our direct operations by 2025 - that's within five years - and move towards the circular economy.

2025 targets

SUPPLIERS → LOCAL COMMUNITIES → EMPLOYEES → CUSTOMERS → AUTHORITIES → PLANET → INVESTORS → SHAREHOLDERS



GLOBAL

Carbon neutral
IN OUR DIRECT OPERATIONS

**100% OF OUR SITES
POWERED BY 100 %
renewable
electricity**
**15 % IMPROVEMENT
energy
efficiency***
VS. 2020

**100% OF OUR SITES
INCLUDING NEW
ONES AT ZERO
waste-to-landfill
AND CERTIFY MAJOR ONES**

**100% OF OUR
plastic packaging
fully recyclable
OR REUSABLE**

- 50%
SCOPE 1 AND 2 CO₂E EMISSIONS VS. 2017
- 8% SCOPE 3 CO₂E EMISSIONS (FROM
PURCHASED RAW MATERIALS) VS. 2017
- 10%
emissions
rate**
FROM EG/IG OUTBOUND
TRANSPORTATION VS. 2020

Firmenich's new ESG ambitions cycle for 2030 proposes concrete actions to respond to the urgent need to address climate change while growing our business. We are firmly committed to achieving our vision of a zero-impact future, leading our industry towards carbon neutrality in our direct operations by 2025 and carbon positivity beyond that date. By 2030, we will have achieved absolute carbon emission reduction in line with the 1.5°C Science-Based Targets.

We are an early signatory of Business Ambition for 1.5°C, a coalition of over 600 companies committed to net zero by 2050. We have set emissions reductions to keep warming to below 1.5°C, in line with the Paris Agreement. We will also minimize our impact and reach zero waste-to-landfill at all sites. In addition, we will reduce our plastic footprint and implement measures to recycle 100% of our plastic waste.

Conducting our business in a way that preserves the environment is paramount for Firmenich. We uphold responsible environmental management practices at our facilities worldwide and strive to reach and maintain the highest standards of care. All Firmenich sites follow a strict internal environmental management system (EMS) supported by our Quality Health Safety and Environment (QHSE) Management Principles and Operational Codes, and by our publicly available Global Environmental Policy. In addition, 85% of our sites are ISO 14001 certified.

Our commitment extends beyond our direct operations to our value chain through our Responsible Sourcing Policy and Green Procurement Policy. We strive to minimize the environmental impact of our business throughout the product life cycle.

ACTIVATION

GLOBAL
**100% office paper
and pallets**
FROM CERTIFIED SOURCE OR
recycled material

**Single use
plastics banned**
IN CAFETERIAS, MEETINGS ROOMS
AND RECEPTION AREAS

**100% offset air
travel emissions**
AND EMPLOYEE COMMUTING

INGREDIENTS
**75% of
suppliers**
WHO RESPONDED TO CDP
water
SET WATER REDUCTION TARGETS

**Suppliers
representing
80%**
OF RAW MATERIALS SPEND
ANSWER CDP AND SET CLIMATE
CHANGE IMPROVEMENT PLAN

PERFUMERY
Analyse 100%
OF FLAVORS AND FRAGRANCE PRODUCTS
FOR ENVIRONMENTAL IMPACT

**Made of 33%
renewable**
(ISO 16128)
OR UPCYCLED
carbon content
(FRAGRANCE PORTFOLIO AVERAGE)

TASTE & BEYOND
**our
SmartProteins®
help
reduce 3.3
million metric tons
of CO₂e emission
save 215
billion liters
of water / year**

* Our 2025 environmental targets will use FY21 as a baseline. As FY21 is the first year of tracking progress on these new goals, we are comparing this year's performance vs. FY20.

** The base year for our science-based targets is FY17.



Climate performance overview

CLIMATE TARGETS 2025

BELOW ON TRACK ABOVE

	FY21	STATUS
Carbon neutral in our direct operations	2 SITES CARBON NEUTRAL	
100% renewable electricity	100%	
15% energy efficiency improvement	+2.2%	
100% of our sites, including new ones, zero waste-to-landfill	97.9% LANDFILL FREE	
100% of our plastic packaging fully recyclable or reusable	100% (TOTES AND DRUMS)	
50% reduction in Scope 1 and 2 CO ₂ e emissions vs. 2017	-37.1%	
-8% Scope 3 CO ₂ e emissions [from purchased raw materials] vs. 2017	-2.6%	
10% emissions reduction from EG/IG outbound transportation	LAUNCHED THREE MAJOR INITIATIVES IN FY21	
100% office paper and pallets from certified sources or recycled materials	100% FSC CERTIFIED IN EUROPE	
Single use plastics banned in our cafeterias, meetings rooms and reception areas	SOME SINGLE-USE PLASTICS REINTRODUCED FOR EMPLOYEE SAFETY DURING COVID	
100% air business travel and employee commuting emissions offset	IDENTIFIED OPPORTUNITIES FOR A 30%-45% CO ₂ E REDUCTION	
75% of our suppliers that reported to CDP water have set reduction targets	83%	
Suppliers representing 80% of our raw materials spend disclose to CDP climate change and set improvement plans	20%	
Assess 100% of Flavors and Fragrance products for environmental impact	+90% (FRAGRANCE INGREDIENTS AND SMARTPROTEIN® MEAT PORTFOLIO)	
Fragrance portfolio made of 33% renewable (ISO16128) or upcycled carbon content on average	21.6%	
Our SmartProteins® will help reduce 3.3 million metric tons of CO ₂ e emissions and save 215 billion liters of water per year	-1.9 MILLION METRIC TONS OF CO ₂ E AND -130 BILLION LITERS OF WATER	

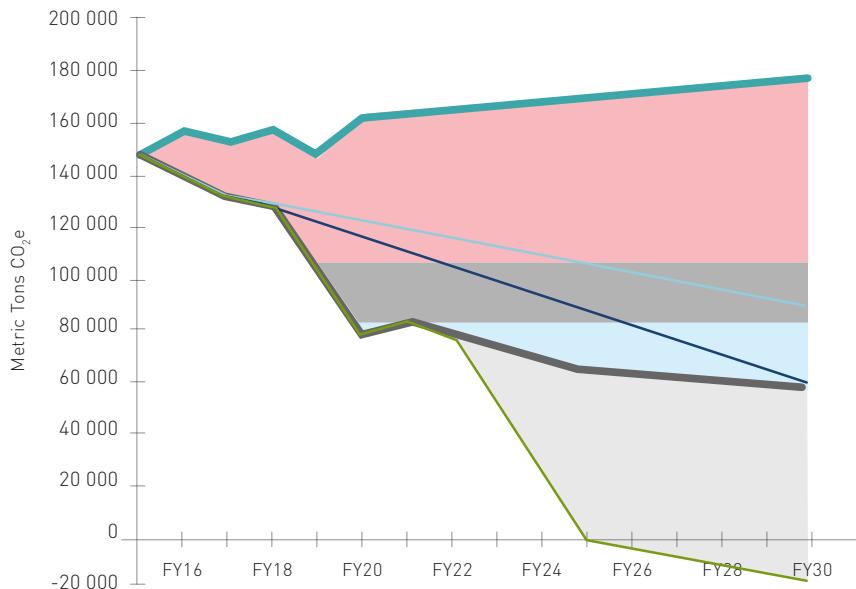
Reaching carbon neutrality



CARBON NEUTRAL IN OUR DIRECT OPERATIONS

We aim to reach carbon neutrality in our direct operations by 2025, and carbon positivity beyond that date. By 2030, we will have achieved absolute carbon emission reduction in line with the 1.5°C Science-Based Targets. Two of our manufacturing sites, in Singapore and South Africa, reached carbon neutrality in FY20. Organizations can only achieve net zero by reducing emissions and implementing a combination of insetting projects and offsetting purchases. We focus on energy efficiency, renewable energy and electricity, and share progress and lessons learned annually in our ESG report. This section covers **GRI 103-2** and **GRI 103-3** related to our management approach.

PATHWAY TO CARBON NEUTRALITY



Firmenich's 2030 path to carbon neutrality includes renewable electricity and fuels, energy efficiency initiatives, as well as voluntary carbon offsets. We have already made significant progress by sourcing 100% renewable electricity. We will continue to improve the energy efficiency of our sites and explore sustainable alternatives to conventional fuels.

- Scope 1 + 2 Emissions (Actual + Projected)
 - Pathway to Carbon Neutrality/Positive
 - Business As Usual (BAU) Scenario
 - Well-Below 2°C (WB2C) Scenario
 - 1.5°C Scenario
- Acting on Climate Change Strategic Drivers**
- Renewable Electricity
 - Energy Efficiency
 - Renewable Fuels & Biomass
 - Carbon Offsets

This graph is for illustration purposes only. Actual future progress may vary. Recent acquisitions not included.

CLIMATE CHANGE LEADERSHIP AND ADVOCACY

In FY21, Firmenich was listed among the **300** companies in the first Financial Times Climate Leaders Europe list, ranking #1 in our industry category and one of the top **10** companies in Switzerland. Firmenich not only engages colleagues and suppliers, but also advocates with key stakeholders, NGOs and lawmakers outside our industry. These efforts include:

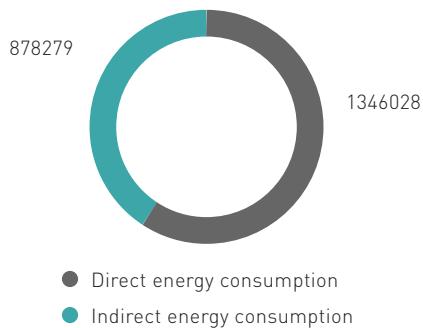
- Firmenich has joined the Assessing Low-Carbon Transition® (ACT), a joint voluntary initiative of the French Agency for Ecological Transition (ADEME), CDP and the UN Framework Convention on Climate Change (UNFCCC)
- Firmenich was one of **84** companies to discuss climate change with lawmakers in the U.S. in 2021 at the annual LEAD on Climate Virtual Advocacy Day
- Firmenich is part of Race to Zero, a UN-backed global campaign to engage businesses, cities, regions and investors worldwide for a healthy, resilient and zero carbon recovery
- Firmenich signed the French Business Climate Pledge demonstrating its commitment to low-carbon technologies, products, and services for a green economy
- Firmenich's CEO joined a call to action with the Corporate Leaders Group (CLG) "a coalition of business leaders for a climate neutral economy", urging the European Union to promote effective policies aiming at reducing its net greenhouse gas emissions by at least **55%** by 2030, compared to 1990 levels

Energy

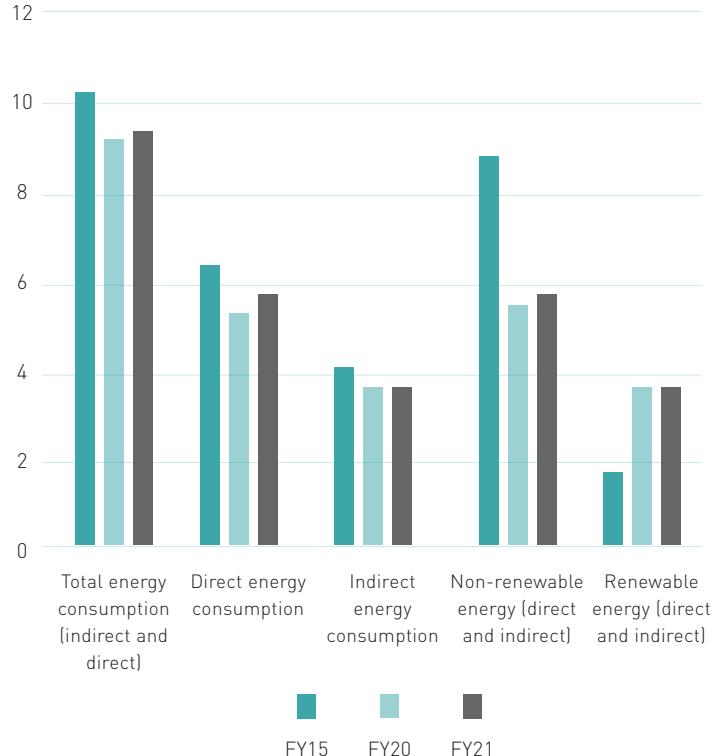
Firmenich aims to increase energy efficiency by **15%** by 2025 vs. 2021 and will report progress every year. Reducing greenhouse gas (GHG) emissions through increased energy efficiency is the most sustainable and effective path to achieve carbon neutrality in our direct operations. For example in FY21, we started an energy audit at our Newark, NJ facility which represents **14%** of our global energy use. This section covers **GRI 302-1** and **GRI 302-3** related to energy consumption and energy intensity.

-  15 % IMPROVEMENT ENERGY EFFICIENCY
-  100% OF OUR SITES POWERED BY 100 % RENEWABLE ELECTRICITY

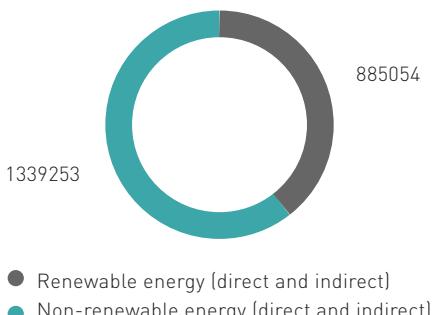
DIRECT AND INDIRECT ENERGY CONSUMPTION GJ



ENERGY INTENSITY GJ/MT



NON-RENEWABLE AND RENEWABLE ENERGY CONSUMPTION (GJ) - INDIRECT AND DIRECT



RENEWABLE ELECTRICITY

In 2015, Firmenich set the ambitious target to reach **100%** renewable electricity by 2020. We achieved this goal ahead of time, the first in our industry to do so, and are now ensuring that our new acquisitions also rely solely on renewable electricity. In FY21, all Firmenich operations, including newly acquired companies, used **100%** renewable electricity.

Some countries, such as Singapore, still have limited renewable electricity availability. While our Singapore site has been carbon neutral since FY20, Firmenich recently installed a **525** MWh/year solar array to increase the percentage of renewable electricity in the regional grid, in alignment with RE100 recommendations. This section covers **GRI 302-1** related to energy consumption.

CO₂e emissions

Scope 1 and Scope 2



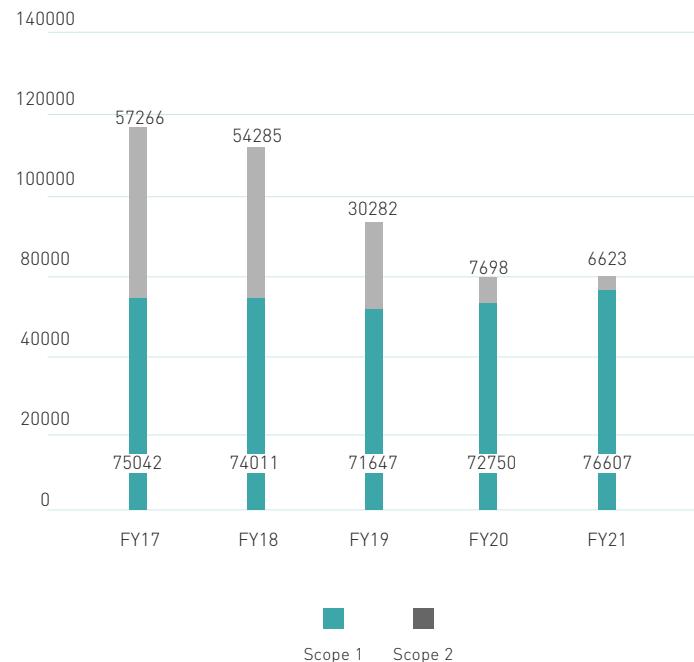
50% REDUCTION IN SCOPE 1 AND 2 CO₂e EMISSIONS VS. 2017

SCIENCE-BASED TARGETS

Firmenich has set targets to reduce its absolute Scope 1 and Scope 2 emissions by **50%** by 2025 vs. 2017, in alignment with our science-based targets. We are one of the early signatories of Business Ambition for 1.5°C and a member of Race to Zero. The group has set its emissions reductions at levels prescribed by the Special Report on Global Warming of 1.5°C (SR15) published by the Intergovernmental Panel on Climate Change (IPCC). Our validated science-based targets are a **55%** reduction in our absolute Scope 1 and Scope 2 emissions and a **20%** reduction in our Scope 3 emissions from raw materials purchased by 2030 vs. 2017.

We report our progress in our annual ESG and CDP response. In FY21, our Scope 1 and Scope 2 emissions remained stable vs. FY20. We reduced our Scope 1 and Scope 2 emissions by **37.1%** vs. 2017. This section covers [GRI 305-1](#), [GRI 305-2](#) and [GRI 305-5](#) related to our GHG emissions within our direct and energy indirect scopes.

CO₂e EMISSIONS (IN METRIC TONS)



CO₂e EMISSIONS INTENSITY (IN KG PER METRIC TON OF PRODUCTION)



CO₂e emissions Scope 3



- 8% SCOPE 3 CO₂E EMISSIONS
(FROM PURCHASED RAW MATERIALS) VS. 2017



REDUCE BY 10% EMISSIONS RATE FROM IG/EG OUTBOUND
TRANSPORT

INVENTORY & STRATEGY

Scope 3 emissions from outside our direct operations account for **96%** of our total GHG emissions. A majority of Firmenich's Scope 3 emissions come from purchased goods and services (category 1), business travel, employee commuting (categories 6 and 7), and outbound EG/IG transportation (category 4). We have therefore set science-based targets covering our Scope 3 emissions from purchased goods and services as well as shared our 2025 ambitions to reduce Scope 3 emissions from business travel, employee commuting, and outbound EG/IG transportation. In FY21, we reduced our Scope 1 and Scope 2 emissions by **37.1%** and our Scope 3 emissions from purchased goods and services (category 1) by **2.6%** vs. 2017. This section covers **GRI 302-3, GRI 302-4** and **GRI 302-5** related to other indirect GHG emissions.

EG/IG TRANSPORTATION STRATEGY

Firmenich is committed to addressing sustainability in transportation and distribution, a sector deeply transformed and affected by the global pandemic. In FY21, Firmenich created a Transport and Distribution (T&D) Center of Excellence to lead transportation and warehousing practices, processes, procedures, tools and capability development. The four pillars of the Center of Excellence are:

- › Customer centricity: deliver goods on time and enhance the visibility of each delivery
- › Cost efficiency: stay competitive
- › Tailored solutions: design unique transportation plans addressing speed, frequency, transport mix and warehousing
- › Environmental, Sustainability, and Governance: reduce our transportation carbon footprint by **10%** by 2025 vs. 2021

EG/IG TRANSPORTATION INITIATIVES

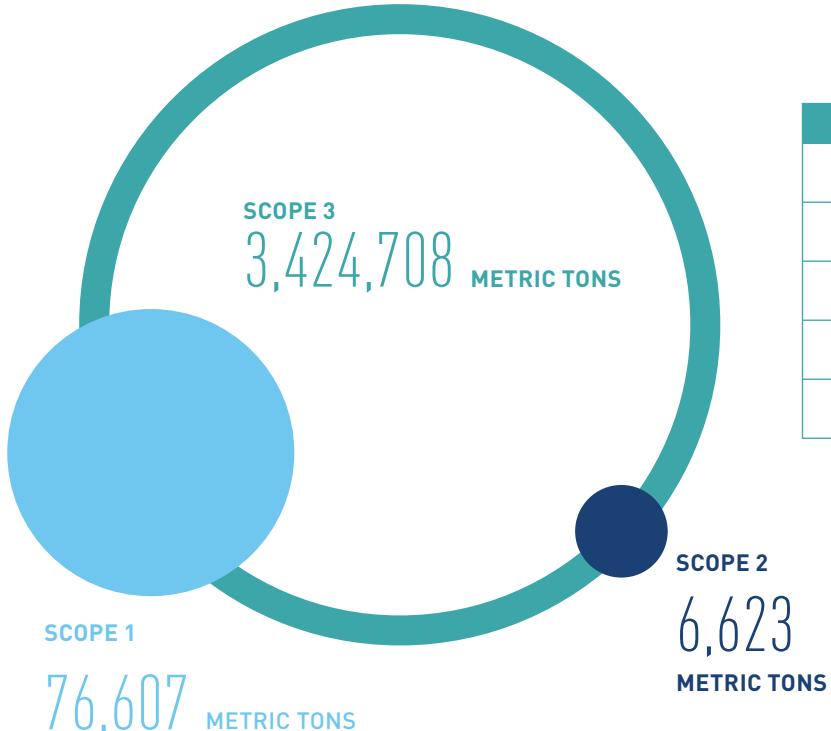
To meet our 2025 emissions reduction target from transportation, we launched three major initiatives:

- › Switching a historic air freight program to seafreight covering hundreds of metric tons, potentially saving **700+** metric tons of CO₂e per year
- › Launching a New Ocean Global Logistics Model, which will allow Firmenich to reduce the use of Less than Container Load (LCL) transportation in favor of a Full Container Load (FCL) model. This model will be implemented in FY22 across all plants through the deployment of eight hubs and shuttles between our plants and ports
- › Exploring possible solutions to transport materials between Europe and China by rail vs. air, or in the case of the U.S. and Mexico, by rail vs. truck

BUSINESS TRAVEL AND EMPLOYEE COMMUTING

During the pandemic, business travel was replaced by virtual meetings at Firmenich. Virtual meetings and working from home have changed the way we work, and business travel along with employee commuting will be quite different in the future. Nonetheless, we remain committed to offsetting **100%** of our air business travel and employee commuting emissions by 2025.

Data collection of CO₂e emissions has made it possible to better understand historical usage across sites, divisions and highly traveled routes. We are currently investigating options to reduce and offset business travel emissions across a spectrum of carbon sink or low emissions solutions. We are also considering other options, such as making more environmentally friendly transportation modes mandatory when available. We are examining exclusively opting for economy travel on selected routes, which could lead to a **30%-45%** CO₂e reduction without limiting critical travel needs. The analysis was completed in May 2021, and we will develop these options into policies by November 2021.



 100% AIR BUSINESS TRAVEL EMISSIONS AND EMPLOYEES COMMUTING OFFSET

SCOPE 3 (IN METRIC TONS)	
Purchased raw materials	3,337,129
Transportation of finished products	49,966
Employee commuting	17,839
Air business travel	817
Waste management	18,957

Conserving water

WATER MANAGEMENT AND 2030 WATER NEUTRALITY TARGET

The availability of water is a widespread problem. The World Resources Institute (WRI) estimates that **3.5 billion** people could suffer from water scarcity by 2025.

Through our internal management system and QHSE Operational Standards and Codes, we set standards above minimum regulatory requirements based on local, national and international laws. All facilities follow local requirements on discharges, and we systematically set internal water quality standards aligned on, or more stringent than, local regulations. Our fragrance and taste solutions are manufactured and transported to our customers in concentrate formulas, requiring minimal water use at our manufacturing sites.

Firmenich has been a member of the UN Global Compact's CEO Water Mandate for close to 15 years. We strive to reduce critical water risks across our operations through annual assessments followed by measures to improve water-use efficiency. We measure our water use and aim to reduce total consumption globally, with a vision to be water neutral in our direct operations located in water-stressed areas by 2030.

Firmenich uses the WRI's Aqueduct Water Risk Atlas and the Water Risk Filter from the World Wildlife Fund (WWF) to evaluate basin-related water risks and water use for all manufacturing and non-manufacturing sites. These tools help us understand how to preserve water supplies and restore ecosystems. Ten Firmenich sites operate in water-stressed areas and are susceptible to water risk. This section covers **GRI 103-1, GRI 103-2, GRI 103-3, GRI 303-1** and **GRI 303-2** related to our management of water as a shared resource and water discharge-related impacts.

EXAMPLES OF WATER INITIATIVES



Brazil

An automated washing machine used to clean process equipment will cut water use by **2,190 m³** per year; representing **4%** of local use. We are also investigating low-flow faucets and waterless appliances in our offices and labs.

South Africa

Rainwater harvesting in South Africa will reduce our site consumption in this water-stressed country by well over **50%**.

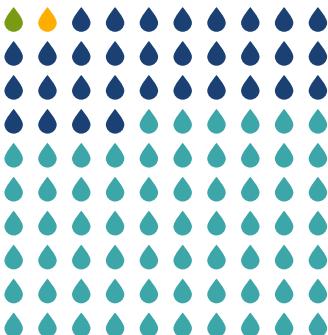
China

Wastewater reclamation in our Shanghai facility will cut our site water consumption by **20,000 m³**, or about **15%** of local water use. We are also analyzing potential impact of installing water saving or waterless fixtures in offices and labs.

Water withdrawal and water discharge

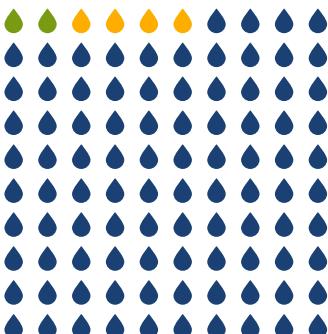
WATER WITHDRAWAL (M3)

- RECYCLED/REUSED WATER
1% | 48,291 m³
- GROUNDWATER
1% | 48,511 m³
- MUNICIPAL WATER
32% | 1,455,146 m³
- SURFACE WATER
66% | 3,007,212 m³



WATER WITHDRAWAL (M3) STRESSED AREAS ONLY

- RECYCLED/REUSED WATER
2% | 9,759 m³
- GROUNDWATER
4% | 24,183 m³
- MUNICIPAL WATER
94% | 570,240 m³
- SURFACE WATER
0% | 0 m³

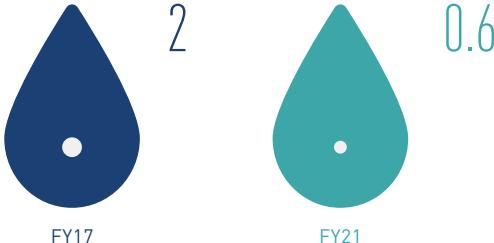


WATER DISCHARGE

Firmenich primarily uses water for cleaning and releases it after treatment into the water system. To ensure that our water discharge quality exceeds international and local regulations, we collect and report water discharge quality indicators required by law. Moreover, at all manufacturing sites, we assess the chemical oxygen demand (COD) concentration of water released back into the environment, ensure that this number improves year-over-year and set ourselves yearly improvement goals versus our baseline of 2017. We have chosen COD as our primary water quality indicator because it applies best to the wastewater generated by our facilities. COD indicates the amount of oxygen required to break down pollutants (organic substances) in water and allows us to better understand treatment requirements and quality after treatment.

In FY21, we had no unplanned water discharges and did not record significant spills. Our water discharge goes to a treatment plant or directly to the environment after onsite treatment. Whenever possible, and in accordance with local standards and national regulations, we reuse water to minimize our impact. No water bodies and related habitats are significantly affected by our water discharges and/or runoff. This section addresses [GRI 303-2](#) and [303-4](#) covering the management of water discharge-related impacts.

COD (KG PER METRIC TON OF PRODUCTION) TO ENVIRONMENT



COD (KG PER METRIC TON OF PRODUCTION) TO OFF-SITE TREATMENT





Waste management

The waste we generate is mostly process waste, but also includes office, packaging and cafeteria waste. As a responsible company, we want to ensure that this waste does not end up in the environment. This section addresses **GRI 306-1** and **GRI 306-2** related to waste generation, waste-related impacts, and management of impacts. Data related to **GRI 306-3**, **306-4** and **306-5** can be found in chapter 8, GRI content index.

Firmenich is developing innovative methods to implement circular solutions, such as reducing waste during production, using by-products from other industries, and collaborating with other companies to design circular processes. For example:

- Our R&D teams combine our circular methodology with green chemistry principles to minimize waste. In FY21, our Geneva and Dahej manufacturing sites worked together to rapidly scale up our muguet captive, Josenol®. This is produced via a **100%** catalytic and **100%** atom-economical process with solvent recycling and a very low waste-to-product ratio of **2.4**

- Our Taste & Beyond teams collect flavor volatiles directly at the source using our Naturome process, transforming these by-products into solvent-free soluble flavor extracts
- Our fragrance portfolio will be made of **33%** renewable (ISO 16128) or upcycled carbon content by 2025
- If by-products cannot be successfully transformed into taste and fragrance solutions, we try to add value to them through other processes. For example, our Newark site found a positive use for its organic waste in 2020: a more efficient sorting of manufacturing by-products enabled the site to convert plant-based waste into fuel, a valuable commodity
- Our plastic packaging (totes and drums) is **100%** recyclable, and we collaborate with suppliers and customers to reuse

Waste impact



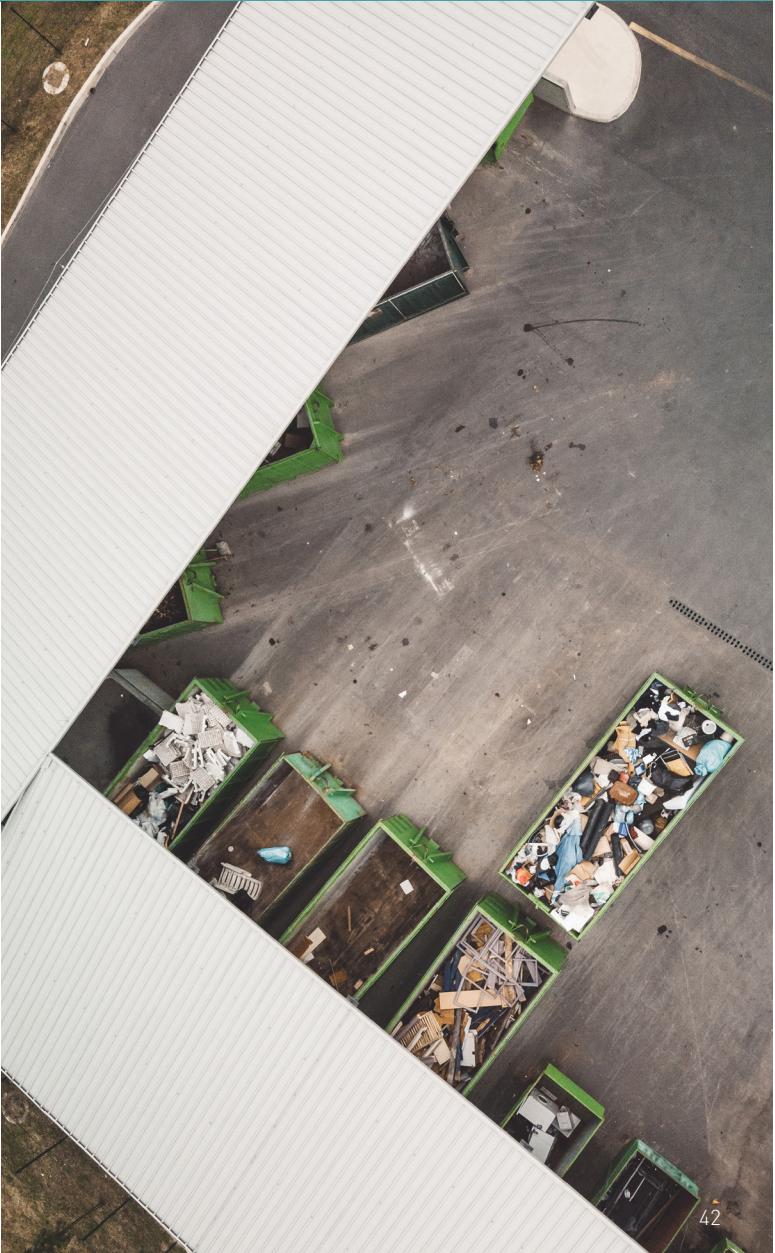
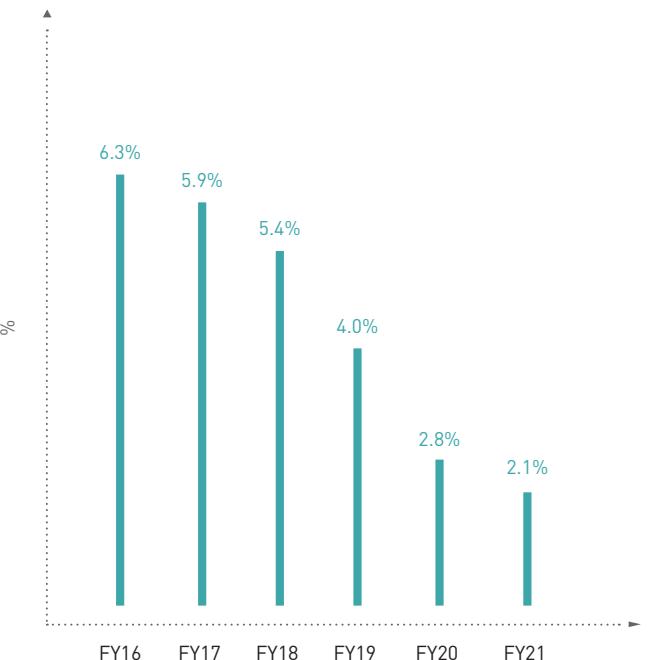
100% OF OUR SITES INCLUDING NEW ONES AT ZERO
WASTE-TO-LANDFILL AND CERTIFY MAJOR ONES

In 2020, despite the global pandemic, all our manufacturing sites achieved zero manufacturing waste-to-landfill. Some sites went beyond, obtaining third-party certification verifying that the entire site does not send any waste to landfill and that our waste management suppliers also carefully recycle or reuse it. For example, our Geneva site was successfully certified zero waste-to-landfill.

Our commitment for 2025 is to go beyond zero manufacturing waste-to-landfill to reach zero waste-to-landfill at all our manufacturing and non-manufacturing locations employing more than **50 people**. In FY21, we reduced our waste-to-landfill from **2.8%** to **2.1%** meaning that, in FY21, **only 2.1%** of our overall waste was sent to landfill.

Zero waste-to-landfill can be achieved by pursuing alternative use of refuse, taking them off the waste stream. For example, our South Africa manufacturing site collaborates with a containerized waste management unit that processes recyclable and non-recyclable materials into enviroblocks, ready to sell.

ANNUAL PROGRESS OF % OF WASTE-TO-LANDFILL
(ALL SITES - MANUFACTURING AND NON MANUFACTURING)





PLASTIC FOOTPRINT AND CIRCULARITY

Our taste solutions, ingredients and fragrances reach our customers in large industrial containers. As a company focused on developing circular solutions, our steel drums and plastic totes can be cleaned and reused, and our plastic drums recycled. As a business-to-business company, our largest plastic footprint comes from our product drums. Some of our taste or fragrance solutions are directly uploaded from our facilities to trailer trucks dedicated to transporting such goods, and then downloaded into a specific container at our customers' sites, in a seamless, waste-free cycle. According to the United Nations, **300** million metric tons of plastic waste are produced globally every year. We are committed to further addressing our plastic footprint in our operations, buildings, packaging and labs:

- › In our buildings and operations, all our manufacturing sites are zero process waste-to-landfill, and we aim to have all manufacturing and non-manufacturing sites reach zero waste-to-landfill by 2025. We banned all single-use plastics at all our locations (cafeterias, meeting rooms and reception areas) prior to the pandemic. Unfortunately, health protocols to keep employees safe during the COVID-19 pandemic resulted in single-serve meals at many cafeterias and the reintroduction of single-stream disposable plastics. Work is underway to develop new processes to maintain employee safety practices while avoiding single-use plastics. This work stream remains on track to be completed by 2025



- › For packaging, sustainability informs the careful selection of packaging types for samples and production. As a result, **100%** of our plastic packaging (totes and drums) is currently recyclable or reusable. As a next step, we will engage customers and suppliers to make sure our packaging is indeed recycled and reused

- › In FY21, in collaboration with our customers and suppliers, we increased the number of intermediate bulk containers (IBCs) in high volume productions that were cleaned and reused. In Europe, thanks to a close partnership with our IBC supplier, we recycled more than **4,700 IBCs**, thus saving **180** metric tons of steel, **67** metric tons of plastic, and avoiding **400** metric tons of CO₂e emissions in FY21

CERTIFIED PAPER AND PALLETS

Firmenich is acting swiftly to ensure that **100%** of its wood and paper packaging sourcing reaches FSC chain of custody certification by 2025. Our European operations are already using **100%** FSC certified boxes and pallets, and China, Brazil and the U.S. should reach **100%** certification by FY22.



Reducing impact beyond our operations and in our supply chain

● SUPPLIERS REPRESENTING 80% OF OUR RAW MATERIALS SPEND ANSWER CDP CLIMATE CHANGE AND SET IMPROVEMENT PLAN

● 75% OF OUR SUPPLIERS WHO RESPOND TO CDP WATER HAVE SET REDUCTION TARGETS

Through its Responsible Sourcing Policy and its supplier engagement program, Firmenich invites its suppliers to develop detailed plans to reduce their environmental impact. This year, based on feedback from our Sustainalytics assessment, we started creating a Green Procurement Policy that sets precise requirements for our suppliers' climate change actions. The project was developed in partnership with the Faculty of Business and Economics (HEC) in Lausanne working with a group of highly motivated students. We furthermore aim to have our suppliers respond to the CDP questionnaires and set their own environmental targets.

By 2025, suppliers representing 80% of our spend will respond to CDP climate change and share their improvement plans. In FY21, we reached out to suppliers representing 55% of our spend. Out of the suppliers who replied, 80% had implemented emission reduction projects, 75% reported greenhouse gas reduction targets, and 67% engaged their own supply chain on climate change.

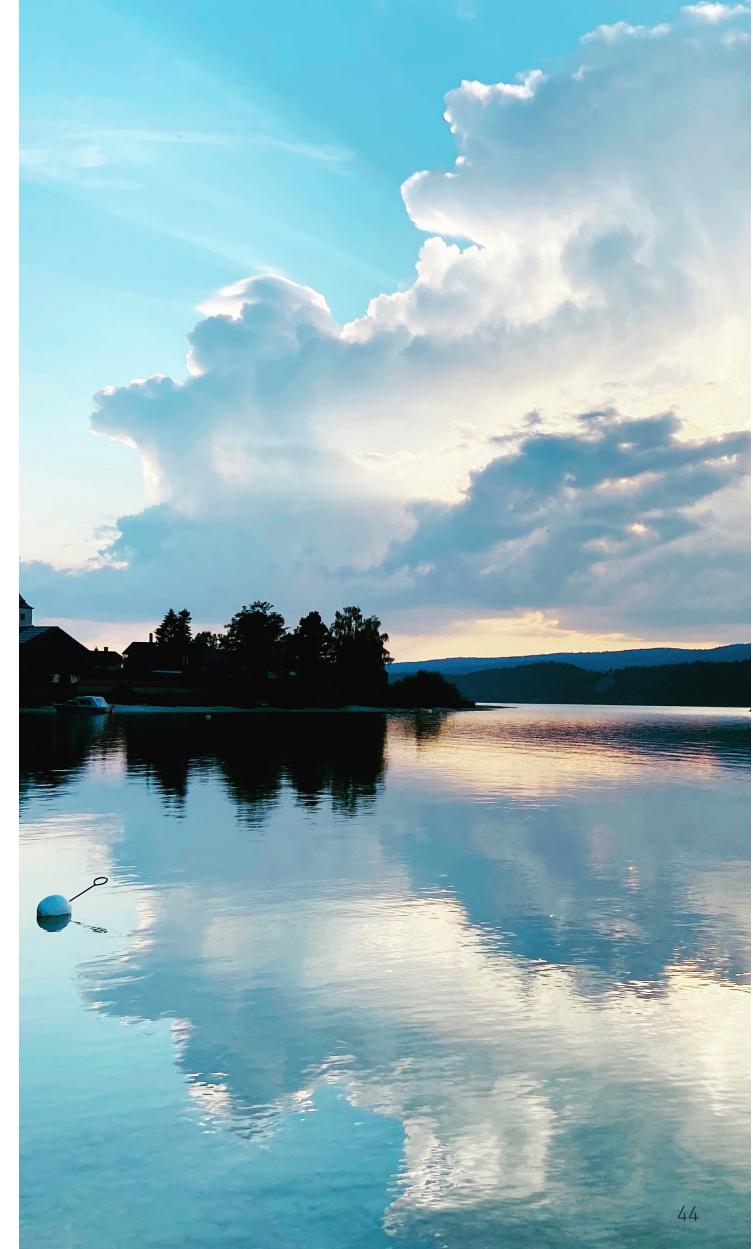
In addition, to drive progress in our supply chain, Firmenich joined an initiative to encourage suppliers to set science-based targets. The project, led by CDP and We Mean Business

Coalition, aims to provide a high level of support and access to expert guidance for suppliers based in China to enable more companies in the region to set science-based targets. As a result of this joint project, 60% of the participating companies have committed to setting science-based targets.

Similarly, we aim to have 75% of our suppliers who respond to CDP water set reduction targets. Last year, 83% of our suppliers who responded to CDP had set water reduction targets.

To further promote transparency in our supply chain, we also collaborate closely with our suppliers and ask them to respond to the CDP Forest disclosure survey. Access to primary data allows us to better understand policies, initiatives, risks and gaps in our own supply chain and determine corrective actions.

In FY21, we once again achieved top ranking on the CDP Supplier Engagement Leaderboard. This recognition highlights our excellence in working with our suppliers to reduce environmental impacts and risks across our value chain. We will continue to engage our suppliers and work towards carbon neutrality in our operations and beyond.



Our fragrance and taste solutions environmental impact

ECOSCENT COMPASS™

We have committed to assessing **100%** of our fragrance portfolio to provide fact-based transparency and drive constant improvement in our formulations. These are essential to reach our ambitious targets on renewability, biodegradability and carbon impact. Steps include leveraging digital and artificial intelligence tools to further accelerate our progress. In our Perfumery division, at the end of June 2021, almost **95%** of our ingredients (by volume) had been analyzed for environmental impact, and some have been assessed several times to track improvements and obtain even more robust data. EcoScent Compass™, our integrated science-based impact measurement tool, is a key platform for our commitment to transparency.

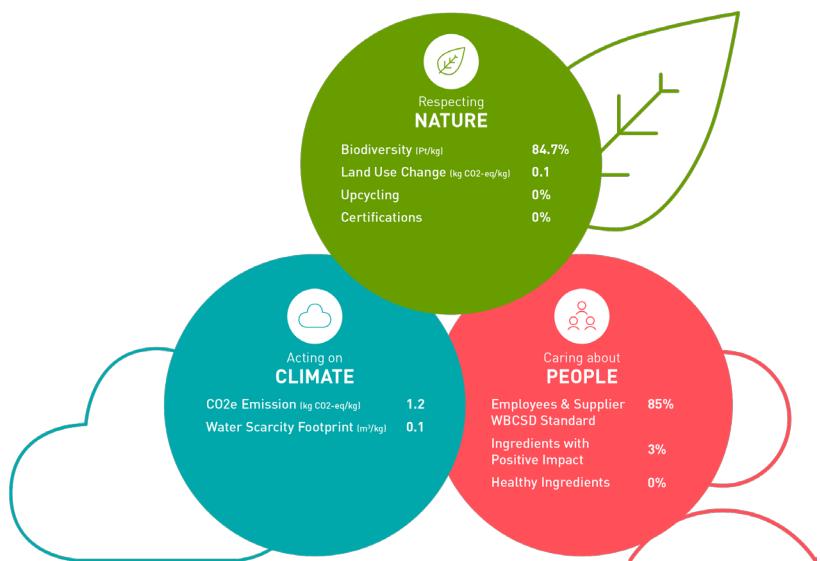
ECOFOOD COMPASS™

Our commitment to assess **100%** of our Taste & Beyond palette for environmental impact by 2025 relies on EcoFood Compass™, our integrated, science-based impact measurement tool.

This year was dedicated to designing the tool and testing it with customers. We have selected nine Key Performance Indicators (KPIs) to measure the impact of our solutions with the support of our partner, Quantis, to ensure data accuracy. We piloted the EcoFood Compass™ on our SmartProteins® Meat portfolio and **92%** of our palette by volume has already been assessed. Our aim for next year is to generate data more quickly, and deploy the solution to our customers to support their transformation towards more sustainable food and beverages.



ANALYZE 100% OF FLAVORS AND FRAGRANCE PRODUCTS FOR ENVIRONMENTAL IMPACT



EXAMPLE ECOTOOOL ASSESSMENT

SmartProteins®

During this fiscal year, Firmenich and its affiliate Campus have invested in partnerships to support our broad and growing range of proprietary SmartProteins® capabilities. This helps our partners to unlock new potential in plant proteins by ensuring the success of their meat- and dairy-analog products through integrated solutions in aroma, taste, texture and nutrition.

In support of the flexitarian trend, which is growing globally, and spreading to regions of the world where meat-free eating is not new¹, our experts are committed to driving clients' brand market recognition. We expect to save **285** billion liters of water yearly and help reduce **4.5** million metric tons of CO₂e emissions yearly by 2030. We are on track to achieve these goals as our partners rely on our expertise, in providing an eating experience that not only mimics meat and dairy, but also delivers the overall enjoyment of a delicious meal.

Over the last year, with large populations in extended lockdowns, nearly a third of people worldwide were inspired to make "big changes" to their lifestyle. Diet transformation is at the forefront of many of these changes, the biggest being that people all over the world [re]learned to cook. Research shows that **38%** of consumers claim to have greatly improved their cooking abilities

and **35%** have become more passionate about food overall. In addition, **26%** of consumers increased use of plant-based dairy products and **18%** increased use of plant-based proteins.

In the past, consumers trying plant-based protein dishes were not always satisfied with the texture or taste of some offerings. Our scientists, flavorists and application experts have been inspired by chefs to develop two key features: a strong masking of the undesirable "green" notes inherent to plant proteins, and to create the succulence, mouthfeel and delicious aroma that consumers expect when they cook as well as when they eat favorite meals with alternative protein options. Our partnerships with leading ingredient suppliers allow us to create solutions that are readily available to parents who wish to offer their children a delicious dairy-free drink or a fully vegan pizza topped with savory melted dairy-free cheese. Through this expertise alone, we calculate that our impact for this financial period has resulted in estimated savings of **1.9** million metric tons of CO₂e and **130** billion liters of water.



OUR SMARTPROTEINS® WILL HELP REDUCE 3.3 MILLION METRIC TONS OF CO₂e EMISSIONS AND SAVE 215 BILLION LITERS OF WATER / YEAR



1. Food for Thought, The Protein Transformation, March 2021, By Björn Witte, Przemek Obloj, Sedef Koktenturk, Benjamin Morach, Michael Brügel, Jürgen Rogg, Ulrik Schulze, Decker Walker, Elfrun Von Koeller, Nico Dehnert, and Friederike Grosse-Holz -- see Fig 2

Renewable perfume

Our ability to combat climate change is directly related to addressing the impact of our products.

Thus, in addition to our corporate target to become carbon positive in our operations, our goals are to:

- › Maximize the use of renewable carbon ingredients from alternative sources, namely biomass, CO₂ and recycling, to reach an average of **70%** renewable or upcycled content in our fragrance portfolio by 2030
- › Reduce the carbon impact of our perfumery business by **25%** (by 2030 compared to 2020)

With the acquisition of DRT, we will become the global leader in renewable ingredients. Our objective is to pro-actively drive more transformation toward renewable ingredients through our innovative Sylvergreen™ platform.

Through the newly combined DRT and Firmenich expertise in innovation and sourcing, we will be able to offer alternative renewable solutions in olfactory territories that consumers love. These include musks, such as Sorbettolide®, which is already available to our perfumers, and key floral molecules in the future.

In addition, the recent inclusion of renewability criteria in our Green Gate filter for new ingredients discovery allows us to prioritize renewable molecules.

Recent progress in industrial biotechnology allows us to move on to the next level of performance. Our fourth and latest white



MADE OF 33% RENEWABLE (ISO 16128)
OR UPCYCLED CARBON CONTENT (FRAGRANCE
PORTFOLIO AVERAGE)

biotechnology ingredient Dreamwood™ is **100%** natural and produced from **100%** renewable carbon. It is also readily biodegradable, ranking in the best category of biodegradability in OECD tests.

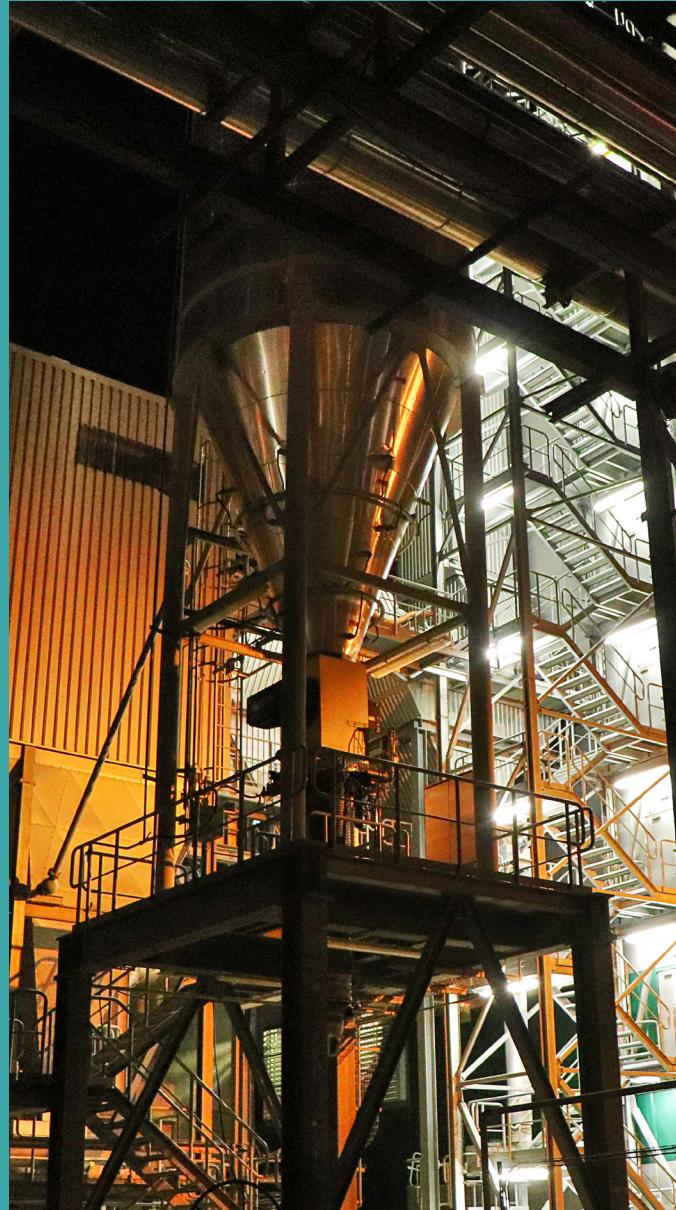
Consumers express a clear preference for products that are natural or from natural origins that they trust. In our Conscious Consumer research, they rate natural origin as the most appealing fragrance claim. The market for natural origin personal and home care products and claims has boomed: **+63%** in the last two years and **+26%** in the past year alone.

For the good of consumers, planet and people, our customers are also committed to reducing their reliance on petrochemicals by increasing the proportion of renewable raw materials in their products.

As part of our goal to drive a renewable transition, we seek to exceed our customers' evolving expectations and partner with them to pro-actively transform our fragrances. In the past **12** months our sales of renewable fragrances have grown by **24%**. We aim to reach a **33%** average renewability in our fragrance portfolio by 2025 and **100%** renewable fragrances by 2030.

Our goal is to lead the industry in Conscious Perfumery and one of our main priorities is to deliver renewable fragrances with lower carbon footprints (from the highest biodegradable category) without compromising on consumer pleasure.





CASE STUDY

Responsible Care Trophy France Chimie

DRT won the special prize at France's national Responsible Care Awards 2020 for Dertal® renewable bioliquids. This award recognizes DRT's work over the last two years to add value, from both a technical and economic standpoint, to production by-products. This was achieved by developing renewable bioliquids that enable drastic reductions in combustion emissions (CO₂, SOx, NOx and heavy metals).

Manufactured in France from renewable by-products stemming from the paper industry and the upcycling of DRT's own by-products, Dertal® bioliquids are sustainable alternatives to heavy fuel and mineral oils, which can be used to generate green heat, steam and power. This range of products allows industries and heating networks to commit to more environmentally friendly biofuels without any competition with food usage.



04

Embracing Nature



2025 targets

GLOBAL

100%

UEBT validation
OF OUR INTEGRATED
biodiversity
strategy

ACTIVATION

ZERO

Firmenich sites
identified on Sedex
biodiversity
radar risk
FOR PROTECTED
AND KEY BIODIVERSITY AREA

SUPPLIERS → LOCAL COMMUNITIES → EMPLOYEES → CUSTOMERS → AUTHORITIES → PLANET → INVESTORS → SHAREHOLDERS



OPERATIONS

INGREDIENTS

PERFUMERY

TASTE & BEYOND

**10 new sourcing
partnerships
implemented**

INCLUDING A FOCUS
ON FARMING PRACTICES,
**biodiversity
conservation**
AND WATER MANAGEMENT

**100 % of our
natural sourcing**

INTEGRATING
**biodiversity
protection**
THROUGH RISK MANAGEMENT

≥ 95%

ULTIMATELY OR PARTIALLY
**biodegradable
ingredients**
IN OUR FRAGRANCE PORTFOLIO

**Contribute
to global diet
transformation**

WITH OUR GREEN
PROTEINS ACCELERATING
REGENERATIVE
AGRICULTURE

**High
vitality
of R&D
pipeline**
DEDICATED TO
decreasing
pressure
on threatened
natural resources
THROUGH BIOTECH & UPCYCLING

Since 2016, when Firmenich signed the Cancun Business and Biodiversity Pledge, we have stepped up our efforts to preserve and protect biodiversity, implementing processes and oversight across our corporate ecosystem for the wellbeing of present and future generations. Our economies “are embedded within Nature...” not external to it¹ wrote the authors of the recently published Dasgupta Review of the Economics of Biodiversity, commissioned by the UK government. Our new ESG Ambitions 2030 proposes concrete actions to respond to this urgent need to protect nature while growing our business.

By leveraging our science and our purchasing power for more regenerative products, we can help reverse nature loss with a view to contribute to nature positive in the longer term. The targets have been designed in collaboration with many Firmenich colleagues, including procurement, research, legal and compliance, and the business divisions.

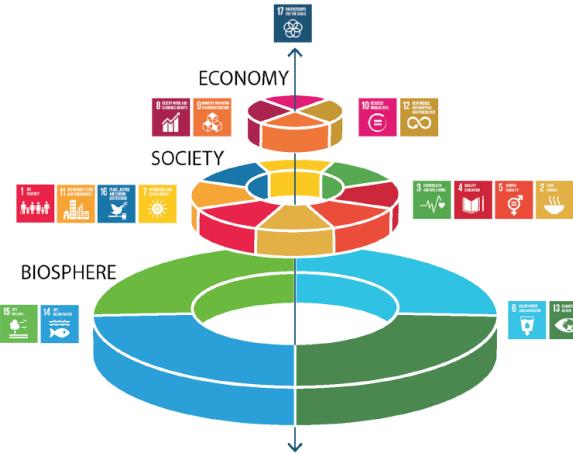
Adopting nature as a separate stream from climate is a challenge, given that the science around biodiversity measurements is relatively recent and tools are still emerging. The Science Based Targets on Climate have been adopted by a wide range of companies, whereas the Science Based Targets for Nature are still a work in progress at the global level.

1. <https://www.project-syndicate.org/commentary/three-ways-to-boost-environmental-social-governance-performance-by-paul-polman-and-eva-zabey-2021-04>

Biodiversity global trends

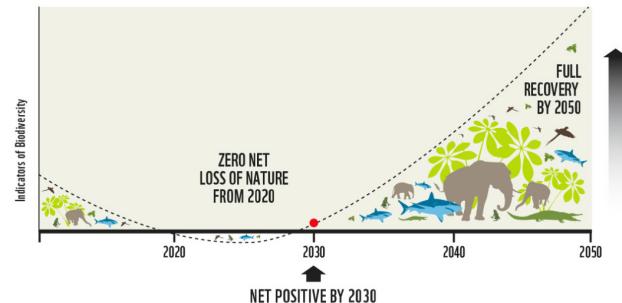
The COVID-19 pandemic is a real-life illustration of the consequences of human actions on our fragile planet, also revealing how biodiversity protection is essential to human health. Embracing Nature, one of the three streams of Firmenich's ESG strategy, embodies our commitment to safeguard and regenerate biodiversity so that we minimize our impacts and contribute to the United Nations Sustainable Development Goals.

This graphic from the Stockholm Resilience Center¹ illustrates how life on land, life under water, climate change and water form the foundation for achieving a sustainable society and economy and serves as a reminder of how important it is for companies to prioritize nature and biodiversity.



The UN Convention for Biological Diversity offers one path forward, calling on governments to do their part to reach full recovery of nature loss by 2050.

Global Goal for Nature: Nature Positive by 2030



We aim to contribute to this journey, which is why in FY21 we joined global coalitions to help accelerate business-driven solutions towards biodiversity recovery. We have also strengthened our collaboration with our existing biodiversity partners to amplify our impact.



1. Folke, C., R. Biggs, A. V. Norström, B. Reyers, and J. Rockström. 2016. Social-ecological resilience and biosphere-based sustainability science. *Ecology and Society* 21(3):41. <http://dx.doi.org/10.5751/ES-08748-210341>

Figure 1: The UN is asking nations to halt nature loss and become nature-positive by 2030 (www.naturepositive.org/report).¹

<https://f.hubspotusercontent20.net/hubfs/4783129/Nature%20Positive%20The%20Global%20Goal%20for%20Nature%20paper.pdf>



Nature performance overview



BELOW

ON TRACK

ABOVE

AHEAD

Embracing
Nature

	FY21	STATUS
100% UEBT verification of our integrated biodiversity strategy	100% verification achieved	
100% Access and Benefit Sharing (ABS) due diligence system externally verified	First company in the world to have achieved third-party verification on ABS	
Contribute resources to OP2B	Firmenich CEO active on OP2B board	
Operate with green chemistry principles	Continuous improvement of existing manufacturing processes	
High vitality of our R&D project pipeline	5 new ingredients delivered	
Zero Firmenich sites identified on Sedex biodiversity radar as posing a risk to protected and key biodiversity areas	To be launched in FY22	
10 new sourcing partnerships, including a focus on farming practices, biodiversity conservation and water management	2 sourcing partnerships (Elemi & Orris)	
100% of our natural sourcing integrating biodiversity protection through risk management	Naturals Together™ Collection	
95% ultimately or partially biodegradable ingredients in our fragrance portfolio	96.3 % ultimately + partially	
Contribute to global diet transformation with our green proteins, accelerating regenerative agriculture	Increased capability from 2 to 6 crops	

Setting an enabling environment in our operations

The Firmenich materiality analysis conducted in FY20 shows that our biodiversity risks mostly lie in our value chains. We always address ESG risks internally first in order to inspire our suppliers and learn any relevant good practice, such as in our efforts to ensure a living wage. We follow the same strategy regarding biodiversity risk, ensuring first that these are embedded in our own scope, in addition to working with our suppliers. This section covers GRI disclosures on biodiversity: **GRI 304-1** – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; **GRI 304-2** – Significant impact of activities, products, and services on biodiversity; and **GRI 304-3** – Habitats protected or restored.

 100% UEBT VERIFICATION OF OUR INTEGRATED BIODIVERSITY STRATEGY

THIRD-PARTY VERIFIED BIODIVERSITY STRATEGY

In 2014, our Center of Expertise of Naturals in Grasse became a member of the Union for Ethical BioTrade (UEBT) and has since applied UEBT principles and conducted a detailed review of biodiversity risks in our naturals' portfolio. In June 2021, we decided to scale up our efforts at the Firmenich Group level. Since this date, UEBT has approved our global membership with the goal of strengthening our natural ingredients sourcing while promoting the Ethical BioTrade Principles. We are proud to have

achieved this step for the entire Group. Our UEBT acceptance is the result of a third-party assessment of our biodiversity policy commitments and responsible sourcing system in accordance with UEBT principles.



UEBT has noted the following in their FY21 assessment:

- > Strong ESG Strategy
- > Continuous improvements in responsible procurement
- > Strategic use of EcoVadis and Sedex platforms, not only at Firmenich level but with a wide range of suppliers globally
- > Leading performance in third-party certifications and assessments, such as CDP, EDGE and Sustainalytics and pursuit of sustainable certification of our biodiversity-based value chains

These achievements relate to **GRI 304-2** – Significant impact of activities, products and services on biodiversity.

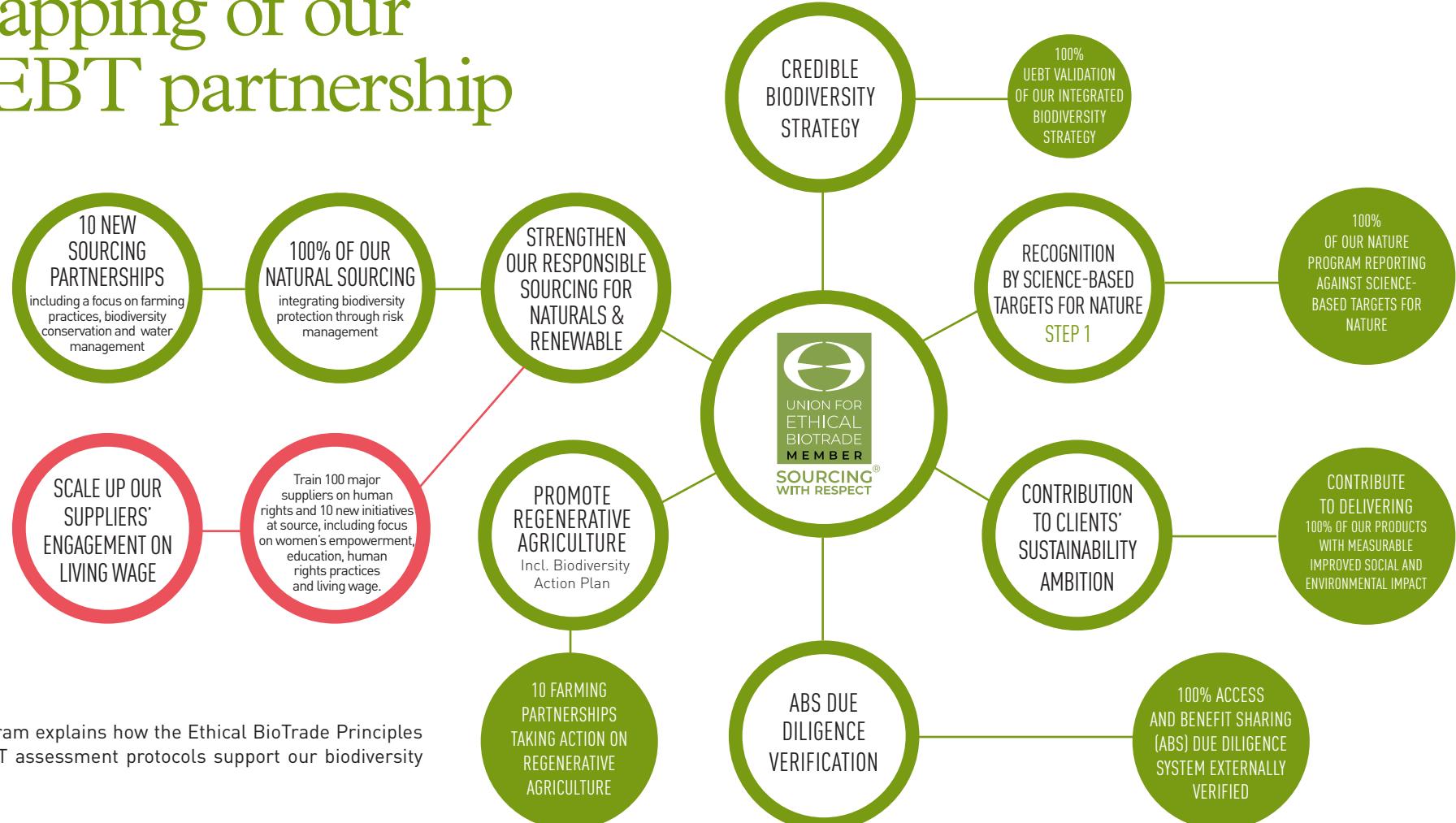
Meeting UEBT requirements is a continuous improvement journey that we are undertaking with our customers and suppliers who also apply UEBT in their own field audits at source. We now have a clear work plan for the next three years to ensure continuity and increase actions involving local producers from our value chains of natural ingredients.



"Firmenich has set clear targets for 2030 on sourcing with respect for people and biodiversity. A solid implementation strategy is currently being rolled out by Firmenich to ensure these targets are met and positive impact is created for people and biodiversity. With Firmenich group joining UEBT, it is committing to continuous improvement with a focus on local sourcing practices in its responsible sourcing due diligence system and supplier support program. We look forward to working with Firmenich on this."

Rik Kutsch Lojenga, Executive Director, UEBT

Mapping of our UEBT partnership



The diagram explains how the Ethical BioTrade Principles and UEBT assessment protocols support our biodiversity strategy.

UEBT commitments

5 commitments¹
of UEBT members



The Union for Ethical BioTrade is also a partner at Science-Based Targets for Nature (SBTN). We have identified and actively promoted synergies between these two organizations so that our work with UEBT contributes to our SBTN goals.

1. Source: UEBT, version March 2021. 2. Source: <https://sciencebasedtargetsnetwork.org/wp-content/uploads/2021/04/20210309-IG-executive-summary-ENGLISH-v28.pdf>



100% ACCESS AND BENEFIT SHARING (ABS)
DUE DILIGENCE SYSTEM EXTERNALLY VERIFIED

ENSURE FULL ACCESS AND BENEFIT SHARING (ABS) EXECUTION

From our operations to our value chains, we are integrating regulatory requirements linked to biodiversity conservation and sustainable use of natural resources in our value chains and/or biodiversity-based innovations. This step requires compliance to the Nagoya Protocol, which supports organizations using biological materials in setting good practices on how to ensure access to sample biological materials in line with national regulations, when applicable. Therefore, following the establishment of our Biodiversity Steering Committee in 2017, we have expanded our internal expertise on ABS and undertaken the following actions:

- › Implemented a system of due diligence that systematically monitors and ensures our activities comply with applicable ABS requirements.
- › Taken measures to secure ABS permits and negotiate the fair and equitable sharing of benefits with communities for relevant projects. Contributed to developing and executing best practices on ABS.
- › Contributed to developing and executing best practices on ABS

This governance and processes allowed us to be the first company in the world to have achieved third-party verification of our ABS due diligence system.

Permits that support our sales and innovation activities currently include:



1
INTERNATIONALLY
RECOGNIZED CERTIFICATES
OF COMPLIANCE (IRCC) FOR
COMMERCIALIZATION IN FRANCE



1
JOINT SECTORAL APPROACH IN
SOUTH AFRICA ON AN
ENDEMIC SPECIES TO SECURE
ACCESS TO NATURAL RESOURCES
BASED ON RELEVANT APPLICABLE
REGULATIONS



2
INTERNATIONALLY
RECOGNIZED CERTIFICATES
OF COMPLIANCE (IRCC) OBTAINED
FOR RESEARCH AND DEVELOPMENT



4
ONGOING APPLICATIONS
TO SECURE ACCESS
TO NATURAL RESOURCES
BASED ON RELEVANT
APPLICABLE REGULATIONS



11
REGISTRATIONS
IN BRAZIL

We have obtained a benefit sharing agreement in France for our HeadSpace portfolio, promoting the exceptional flora of the Parc National du Mercantour in the southeast of France. Together with Parc National du Mercantour and the oversight of the Ministry of Ecological Transition of France, we began in May 2021 to support activities that promote local, native biodiversity, including:

- › MAPPING OF PRIORITY HABITATS
- › SCIENTIFIC STUDIES ON HABITATS, FLORA AND FAUNA
- › HABITATS MANAGEMENT PROJECTS FOR VULNERABLE SPECIES



ONGOING MONITORING

We are working with our long-standing partner UEBT, which is an internationally recognized centre of expertise on ABS. As a member of the organization, we became the first company in the world to achieve UEBT verification for our ABS due diligence.

Our successful verification process allows us to monitor and ensure that we will meet our Nagoya Protocol ambitions and ESG Ambitions 2030. It also demonstrates our compliance approach to local authorities in countries where we source our samples of biological resources.

UEBT examined the scope, control points and decision-making processes of our ABS due diligence methods, confirming their reliability in ensuring compliance with Access and Benefit Sharing rules and principles.

We received feedback from the UEBT Deputy Director and Senior Coordinator for ABS and Policy, Maria Julia Oliva, stating that Firmenich was the first company in the world to successfully pass UEBT's new verification program on access and benefit sharing due diligence. It shows the maturity of our approach and paves the way for constructive engagement on benefit sharing around the world.

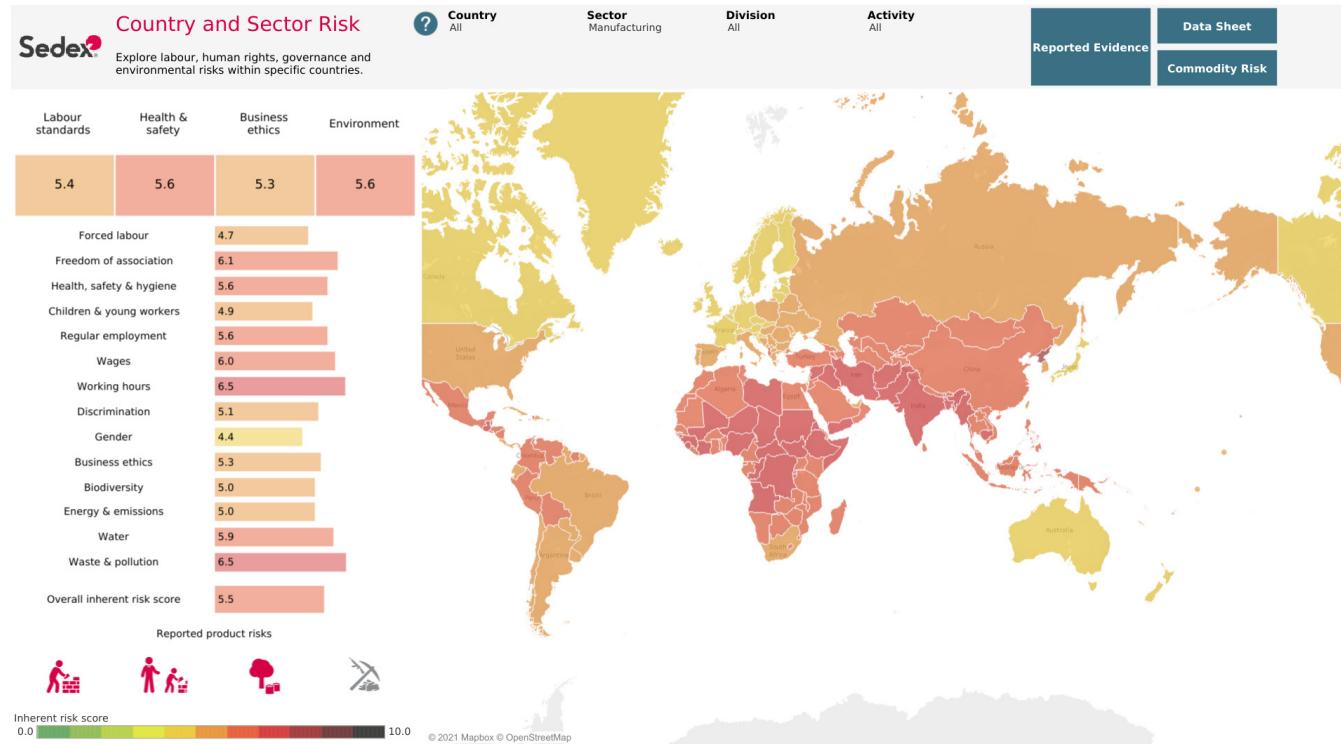
This achievement gives us an incentive to pursue our journey towards improvement and is an important step to secure our positive impact on nature and biodiversity. It has also helped us identify key issues that need to be further addressed, including an update of our governance guidelines, our biodiversity policy statement, and a set of procedures that new employees can deploy on their own.

Setting biodiversity metrics for our manufacturing sites

We have a great opportunity to leverage our long-time use of the Sedex platform and the SMETA (Sedex Members Ethical Trade Audit) audits, expanding biodiversity monitoring to the ecosystems where we manufacture our products.

To meet this new goal, we have joined SwissBiz4Nature, an initiative of the International Union for Conservation of Nature (IUCN), to define the metrics and tools that will enable us to adapt our internal processes. The tools and metrics that will be investigated in our next fiscal year include the Sedex Risk Radar tool, the Integrated Biodiversity Assessment Tool (IBAT), and potentially other tools recognized by Science-Based Targets for Nature.

The illustration shows how the Sedex Risk Radar tool can be leveraged to identify potential risks inherent to the countries where our manufacturing sites are located and support dedicated actions, when relevant. The use of this type of tool relates to **GRI 304-1** – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; and **GRI 304-2** – Significant impact of activities, products, and services on biodiversity.



Source: Sedex platform



ZERO FIRMENICH SITES IDENTIFIED ON SEDEX BIODIVERSITY RADAR AS POSING A RISK TO PROTECTED AND KEY BIODIVERSITY AREAS

Some of our manufacturing sites have worked hard to address **GRI 304-1** – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, and **GRI 304-3** – Habitats protected or restored. We present below two examples from our facilities in Port Newark, U.S. and La Plaine, Switzerland.

WETLAND RESTORATION, PORT NEWARK, U.S.

The Firmenich Chemical Manufacturing Center (FirChem) has been operating in Newark, New Jersey since 2016. Directly east of the ingredient plant is a 15-acre saltmarsh owned by the City of Newark along the shores of the Newark Bay. FirChem's plant is book-ended to the north and south by tidal channels that run up and down the sides of its boundaries. Located on FirChem's eastern property line, two retention ponds receive storm water from the plant roadways, which eventually ends up in the Newark Bay. This wetland restoration project aims to enhance biodiversity and enhance the surrounding community.

In three years, this project has generated significant dividends beyond its primary goal of contributing to the ecological health of Newark Bay. Examples include:

- › Increase of fauna and flora inventories prior to pre-restoration activities
- › A nesting platform on the FirChem plant attracts osprey, and endangered bird in New Jersey. Two ospreys created a nest on a neighboring railroad bridge trestle
- › Meadow grass and wildflowers have taken over most of the previously landscaped areas, a huge boost for the much-needed pollinator community
- › Trees and shrubs planted throughout the meadow and earthen berm areas have taken root with a one-year loss of about **10-15%**
- › Floating wetland islands in the small retention pond are flourishing
- › Two white tail deers have been spotted



Wetland restoration, Port Newark, US

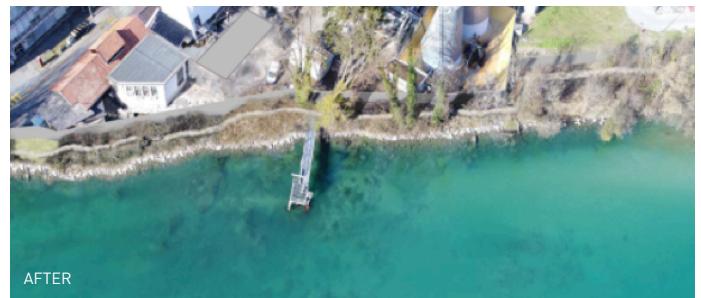
PROTECTION AGAINST FLOODING OF THE FIRMENICH INDUSTRIAL SITE – ECOLOGICAL RESTORATION OF THE BANKS OF THE RHÔNE RIVER, COMMUNE OF DARDAGNY, SWITZERLAND

Hazard studies of the Firmenich industrial site at La Plaine revealed a risk of flooding in the event of an exceptional 300-year flood of the Rhône and Allondon Rivers. To preclude any catastrophe, the Canton of Geneva is building a protective wall.

The project includes various environmental measures to enhance the biological potential of the site and visually integrate the wall with its surroundings.

PROJECT GOALS:

- › Widen and create a new bank on the Rhône: construction started this spring and should be completed by the winter of 2023, supervised by experts in civil engineering, geology, hydrology, river morphology, ecological restoration and site safety
- › Revitalize the existing reed bed
- › Create gullies favorable to amphibians
- › Eliminate exotic and invasive plants (exotic knotweed, solidago, buddleia)
- › Redevelop pedestrian paths along the Rhône
- › Quality forest soil regeneration
- › Develop habitats favorable to fish



Ecological restoration of the banks of the Rhône River, Commune of Dardagny, Switzerland

Biodiversity-based innovation

Our Research & Development expertise is a strong driver of our ESG ambitions on nature. R&D plays an essential role in our ambition to reach our targets on renewability, biodegradability and to use green chemistry principles even more.

Harnessing its multidisciplinary expertise, our R&D division works across three pillars in developing manufacturing processes: biotechnology, chemical synthesis and naturals valorization. We firmly believe that this hybrid approach, using a single pillar or combining pillars, in conjunction with our rigorous environmental standards in research, allows us to explore and develop the best processes to manufacture sustainable ingredients. This includes the discovery and development of alternatives to ingredients derived from threatened natural resources.

Our R&D activities contribute to protecting climate and nature at two levels, relating to **GRI 304-2** – Significant impact of activities, products and services on biodiversity:

- > During discovery, selecting the starting materials and prioritizing the molecules to be developed, based on our Green Gate environmental criteria and in full compliance with the Nagoya Protocol on genetic resources, as well as the relevant Access and Benefit Sharing (ABS) regulations
- > During process development, defining the most sustainable and cost-effective production route, maximizing efficient use of available resources, reducing energy and water usage

GREEN CHEMISTRY FOR A BETTER FUTURE

Firmenich has been striving to increase the number of biodegradable ingredients in its palette in the past ten years. Our Green Gate platform ensures that all novel molecules developed by our R&D team have a minimum impact on the environment and are produced by applying green chemistry principles when possible. These principles, which aim to reduce or eliminate the use or generation of hazardous substances in the design, manufacture and application of chemical products¹, are fundamental to our scientific endeavor at Firmenich. Throughout the R&D process, from discovery to production engineering, we pay specific attention to the use of renewable carbon, to atom economy, and to minimizing energy consumption, where possible.

Following up on our captive Salvianol™ and Yodanol™ launched in 2020, we are proud to announce the launch in 2021 of Clementenal™ and Osmantol™, two new members of this series of novel, readily biodegradable captives, with a green chemistry score above **70%**, thanks to highly efficient, short production processes. Clementenal™ has a zesty mandarin aldehydic and clean ozonic note with muguet and coriander undertones; and Osmantol™ presents a fresh green-fruity note reminiscent of osmanthus and apricot with juicy green apple and magnolia undertones.



OPERATE WITH GREEN
CHEMISTRY PRINCIPLES

CONTINUOUS IMPROVEMENT

Through a collaborative effort between our sites in Switzerland and India, we were able to rapidly scale-up the manufacturing process of our muguet Josenol®, using a **100%** catalytic and **100%** atom-economical process. The solvent recycling system used in this process enables a very low environmental factor (E-factor) of **2.4**, indicating the amount of waste produced per kilo of product.



1. Green Chemistry : Theory and Practice, P T Anastas and J C Warner, Oxford University Press, Oxford, 1998

Research and development vitality

Our R&D team also seeks to optimize existing ingredients sourcing and processing for enhanced sustainability.

To strengthen our progress towards our 2030 ambitions, we are exploring the potential of renewable building blocks, thanks in part to the recent acquisition of DRT, a French company spearheading the development and supply of high-quality, renewable and naturally-derived ingredients. Building on this knowhow, we are developing industrial expertise in producing pine-based ingredients from upcycled materials.

Upcycling is defined as a way to valorize by-products, waste materials, or unused products by transforming them into new materials or products of higher value, for a positive impact on the environment. DRT recovers crude sulphate turpentine (CST), a by-product of the kraft industrial paper industry, and purifies and refines it to yield terpenic products, such as alpha-pinene, beta-pinene and delta-3-carene. These terpenes, commonly found in the essential oils of plants such as conifers, are then used as raw materials, predominantly for fragrance ingredients.

In addition, our leadership in natural flavor solutions is supported by an internal development pipeline of critical ingredients via enzymatic-based and fermentation-based processes. This also helps to reinforce the sustainable supply of natural flavorings.

Our other innovation platform is Naturals Together™. Today, the scope of this Firmenich program has been expanded and it



HIGH VITALITY OF R&D PIPELINE DEDICATED TO DECREASING PRESSURE ON THREATENED NATURAL RESOURCES THROUGH BIOTECH & UPCYCLING

now encompasses our commitment to further development and improvement programs over the next decade, as part of our ESG Ambitions 2030. These improvement programs include:

- › Sustainable extraction: Naturals Together™ has offered us valuable insight into sustainable processing and how to preserve the precious properties of natural ingredients. Now a clear leader on CO₂ extraction, our Center of Expertise in Grasse will keep deploying soft, solvent-free and breakthrough sustainable extraction technologies. The pioneering Firgood™ technology uses only the water that is an inherent part of the biomass cells. Once warmed up by electromagnetic vibration, the water carries the odorant components, to yield the final pure extract. This technology is an environmentally friendly extraction method which includes the culmination of advances in sustainable extraction. Solvent-free, dry biomasses only require water humidification, while low energy consumption is an added benefit of the process. In addition, the waste produced is clean and can easily be upcycled, reinforcing the sustainable value of this pure extraction

- › This year we launched a range of three Firgood™ extracts: Pear Firgood™, Ginger China Firgood™ and Bell Pepper Green Firgood™



Promoting regenerative agriculture in our value chains

OUR COMMITMENT TO ONE PLANET BUSINESS FOR BIODIVERSITY - OP2B

As part of our ambition to advocate for nature-based solutions at the global policy level, we have engaged in a series of initiatives. Since September 2019, we have been a founding member of OP2B, a coalition of companies engaged in promoting regenerative agriculture. Our CEO sits on the OP2B Board, and we are co-leading the institutional platform. The coalition focuses on advocacy actions to demonstrate that regenerative agriculture is a key driver to halt biodiversity loss and restore ecosystems. OP2B and Firmenich believe strongly in the need to decrease negative impacts on biodiversity to create an environment for

positive outcomes. To that end, we view agriculture as an important activity for promoting positive, restorative and regenerative practices.

While the UN designated 2020 as the year of biodiversity¹, the pandemic has forced a reshuffling of priorities, including the rescheduling of the UN Convention on Biological Diversity (UNCBD) COP15 to establish its next 2030 Global Biodiversity Framework. We believe that business has a critical role to play in the next decade to preserve and restore biodiversity. Our Director of Biodiversity Strategy & Compliance is helping us rise to this challenge by dedicating almost **20%** of his time to the OP2B Institutional Engagement Task Force.

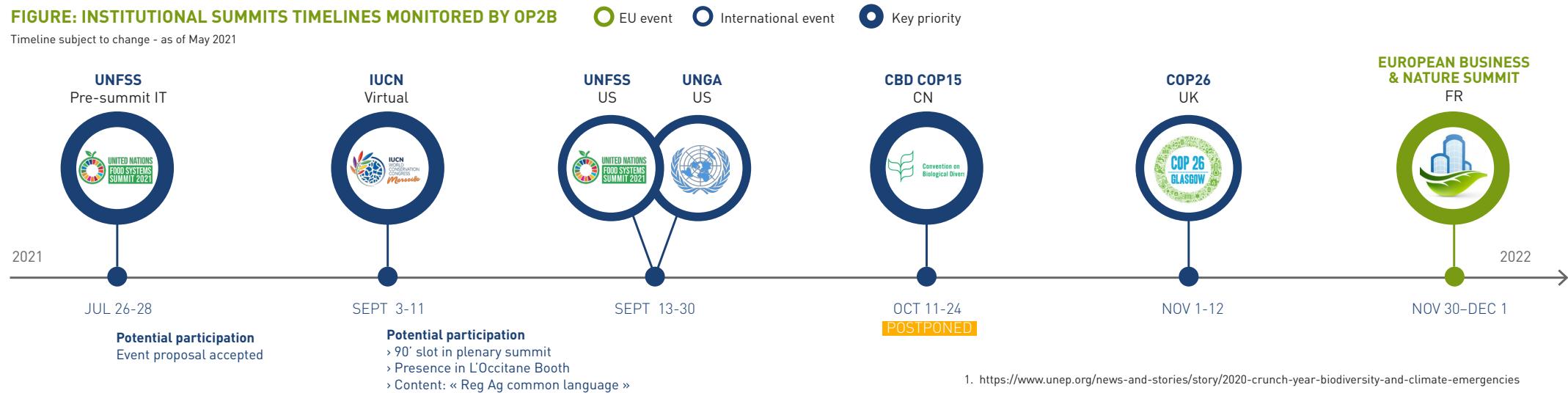
 CONTRIBUTE RESOURCES TO THE ONE PLANET BUSINESS FOR BIODIVERSITY INITIATIVE

Together with OP2B, we have achieved the following:

- › Guiding policy makers on businesses' ambitions – with key written contributions to EU initiatives and the UN CBD Global Biodiversity framework post 2020
- › Partnering to scale up – Boosting a movement that will secure the widespread uptake of regenerative agriculture
- › Such initiatives raise awareness of how regenerative agriculture can be a solution to preserve and restore biodiversity worldwide

FIGURE: INSTITUTIONAL SUMMITS TIMELINES MONITORED BY OP2B

Timeline subject to change - as of May 2021





Biodiversity protection in our Responsible Sourcing due diligence

We are committed to promoting regenerative agriculture practices and Union for Ethical BioTrade principles. Thanks to our revamped Responsible Sourcing Policy launched in January 2020, we have continued to strengthen our sourcing due diligence by incorporating data from the main countries where we source our raw materials derived from natural resources.

In May 2021, the Union for Ethical BioTrade evaluated our Responsible Sourcing Policy. During this assessment, they recognized our efforts to give the protection of nature even more importance in our risk approach.

As of FY21, we are working on improving our risk dashboards with new visuals that will gradually allow us to better navigate our sourcing challenges. This tool will allow us to go further to reach the source of raw materials, in line with **GRI 308-2 – Negative environmental impacts in the supply chain and actions taken**.

It is important to note that our Responsible Sourcing due diligence at material level does not only focus on biodiversity risk but also includes human rights topics.

Our Naturals Together™ Collections are now being monitored through the dashboard.



100% OF OUR NATURAL SOURCING INTEGRATING
BIODIVERSITY PROTECTION THROUGH RISK MANAGEMENT

DEFORESTATION-FREE ACTIONS

One example of how we advance biodiversity protection is our various collaborations with customers to help them produce deforestation-free products.

We know that forests play a vital role in providing livelihoods for over one billion people, hosting 80% of the world's terrestrial biodiversity and mitigating climate change by absorbing emitted carbon dioxide. According to the IUCN, stopping the loss and degradation of natural systems and promoting restoration could contribute over one-third of the total climate change mitigation scientists say is required by 2030. At Firmenich, we work continuously to ensure that our supply chain protects this valuable resource against the threat of deforestation.

THIRD-PARTY CERTIFICATION

Firmenich has been a member of Roundtable on Sustainable Palm Oil (RSPO) since 2018. This leading non-profit is committed to increasing the supply chain transparency of palm oil and preventing deforestation caused by unsustainable palm oil farming. In FY21, we updated our Palm Oil statement, sharing our 2020 performance of sourcing **99,9% RSPO-certified** origin palm oil. We also committed to certify all manufacturing sites according to the RSPO Mass Balance certification by 2025, following the successful certification of our manufacturing sites in Switzerland in FY20, and in the UK in FY21.

TRANSPARENCY

To help preserve forest ecosystems, Firmenich directly collaborates with suppliers through the CDP Platform to further drive transparency in our supply chain. In FY20, we asked key suppliers to respond to CDP Forest disclosure surveys. Having access to primary data allows us to better understand policies, initiatives, risks and gaps in our own supply chain and determine corrective actions. We know, for example, that **56% of suppliers** who responded to CDP Forest have assessed forest-related risks. In 2020, **687 companies** in the world disclosed their forest impact through CDP – a **27% increase** vs. past year. We are proud to help increase transparency on such a crucial issue by involving our key suppliers.

In addition, to make the most of recent Geospatial Information System (GIS) technologies, Firmenich uses the Global Forest Watch (GFW) tool, a dynamic online forest monitoring system that helps companies, nonprofits and advocates everywhere better manage forest risks for several natural resources. Companies can use this tool to design customized maps based on sourcing locations, analyze forest trends and crowdsource data.

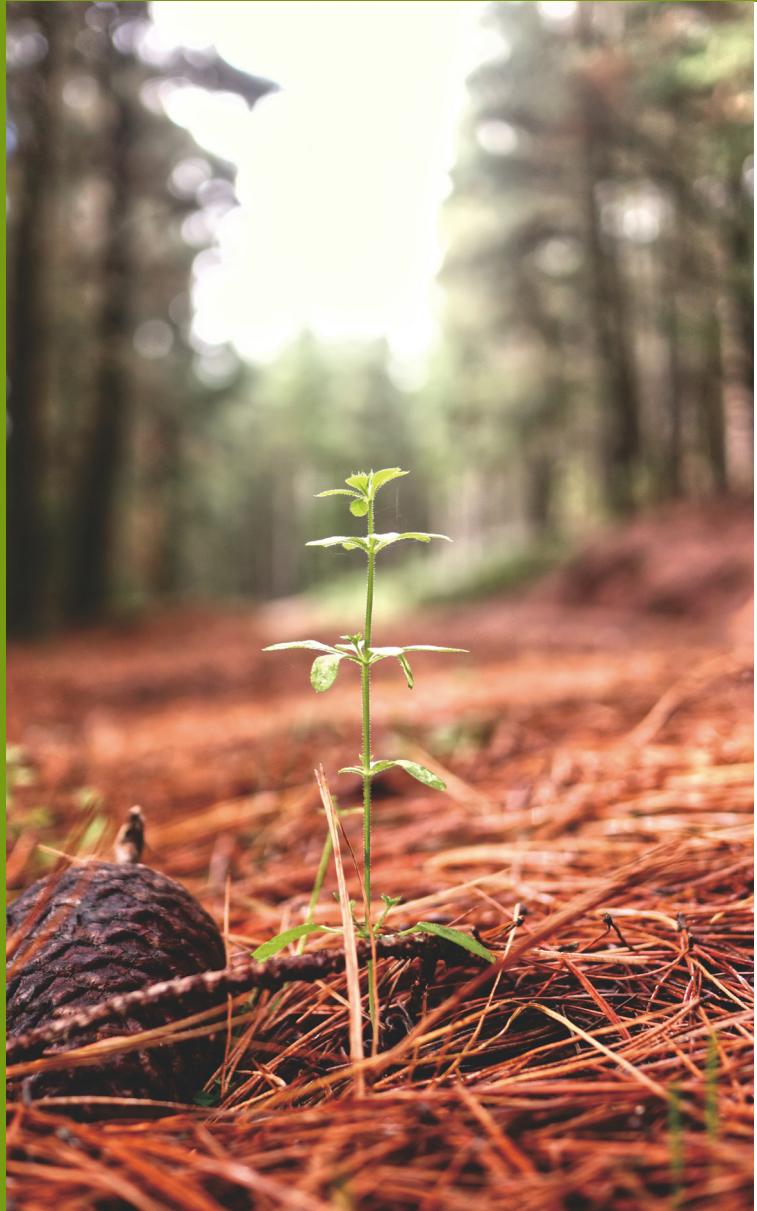
REFORESTATION

Since 2011, Firmenich has been investing in the Livelihoods Funds together with eight other companies. The first fund, the Livelihoods Carbon Fund, leverages the carbon economy to finance sustainability projects. The Fund's projects aim to improve food security for rural communities and increase farmer revenues through ecosystem restoration, agroforestry, and rural energy programs. A second Livelihoods Carbon Fund was launched in 2018 by eight companies (including Firmenich) with the goal to invest EUR **100 million**, reach **2 million** beneficiaries, and sequester **12 million metric tons of CO₂** over 20 years.

In 2015, Firmenich joined the Livelihoods Fund for Family Farming (L3F), and since then, Firmenich's Chief Procurement Officer has joined the Investment Committee. L3F focuses on improving productivity, incomes, and living conditions for smallholder farmers. In 2021, L3F launched a 10-year project to contribute to the transition of a fast-growing yet highly controversial industry: palm oil. L3F has leveraged its expertise in agroecology and sustainable sourcing to co-design the project activities which rely

on regenerative agriculture and agroforestry. Alongside its local partners, L3F has designed an innovative 360° approach where smallholder can combine better yields, restored biodiversity, and diversified sources of income.





CASE STUDY

THE DRT REFORESTATION PROGRAM: PRODUCING GREEN AND RENEWABLE ENERGY

Initiated in 2015 by DRT in partnership with the French forest cooperative Alliance Forêt Bois, this unique reforestation program provides power for renewable steam generation on DRT's largest production site in Vienne-Saint-Girons, France. This sustainable and innovative energy supply plan minimizes the impact of energy production on the environment through the use of biomass cogeneration. An example of DRT's commitment to preserving forest resources, this program also helps prevent conflicts of forest usage with traditional activities from papermills and sawmills.

The reforestation is being carried out within a **100 kilometers** radius of DRT's site to ensure local cogeneration supply. In the space of five years, DRT has planted **1,000 hectares** of forests earmarked for energy production, with biomass cogeneration meeting **95%** of DRT's steam needs for its Vienne-Saint-Girons plant. The energy produced through renewable onsite cogeneration equals the annual electricity consumption of **20,000** French households. The supply plan has the potential to reduce emissions by more than **400,000 tons of CO₂** over 20 years of operation. This cogeneration program also helps foster local

economic development by creating **50** jobs, including **16** direct jobs.

The DRT program and our reforestation efforts relate to **GRI 304-3** – Habitats protected or restored.



SOURCING PARTNERSHIPS



Our sourcing partnerships form a continuous part of Naturals Together™, a program we launched in 2014 to connect with producers who share the same values and vision. This forum promotes exchange around good practices in sustainable agriculture and innovative programs with farming communities to improve farmers' livelihoods. The initiative meets every year

to discuss the future of naturals and has grown from **14** initial members to **28**, covering a large part of our naturals' portfolio.

Based on this initial success, Naturals Together™ evolved into our platform of excellence in naturals. It regroups all our initiatives around natural ingredients suppliers, supply chains and innovative products. Today, Naturals Together™ raises the bar even further, as it now encompasses our commitment to advance development and improvement programs over the next decade as part of our ESG Ambitions 2030.

Firmenich commits to sustainable procurement standards and will require all suppliers to accept an external assessment and work for continuous improvement by 2030. These include:

- > Responsibly sourced collections of ingredients with third-party assessment and certifications, completed by programs of involvement at source and fully digitalized traceability for complex supply chains. These activities relate to **GRI 308-2** – Significant impacts of activities, products, and services on biodiversity
- > Innovation in sustainable solvent-free extraction



10 NEW SOURCING PARTNERSHIPS ON FARMING PRACTICES, BIODIVERSITY CONSERVATION AND WATER MANAGEMENT



Mandatory Code of Ethics and Responsible Sourcing Policy for all our suppliers

Naturals
TOGETHERTM
COLLECTIONS

Responsible sourced collections of ingredients with third-party assessment and certifications

Naturals
TOGETHERTM
PROGRAMS

Involvement at source to support People & Nature, including advanced digital traceability

Naturals
TOGETHERTM
PARTNERS

Privileged links with some of the best producers to assess progress & challenges in naturals supply chain

Naturals
TOGETHERTM
TECHNOLOGIES

Innovative ingredients from advanced and clean extraction technologies (E.g. Firgood™)

Deliver nature-friendly products

Our business divisions are actively working to achieve our ESG Ambitions 2030. Their progress is measured by our proprietary digital EcoTools. Our Perfumery business's advances in products biodegradability and Taste & Beyond's SmartProteins® solutions are two bold examples of how product innovation can positively impact nature.

BIODEGRADABILITY

Firmenich has further strengthened its leadership in environmental sciences and R&D with the publication this year of two articles in peer-reviewed scientific journals on an alternative biodegradation method. This is the result of a four-year collaboration with the University of Lausanne, Switzerland, funded by Switzerland's innovation agency Innosuisse, to study flow cytometry and machine learning for particle/cell analysis for the quantification of biodegradation.

As part of our efforts to promote biodiversity recovery, we are aiming to ensure that **95%** of the ingredients in our fragrance portfolio are ultimately or partially biodegradable (as defined by the OECD) by 2025 and **99%** biodegradable by 2030. This provides us with a clear target on our quest to protect nature by minimizing our impact on the environment, including aquatic systems.

Since 2010, any newly discovered ingredients must pass our Green Gate filter, which guarantees that they have a minimal impact on nature, including favorable biodegradation properties. This has enabled us to increase the number of biodegradable ingredients available for perfumers in our palette or replace traditional ingredients with biodegradable ones. Our perfumers

now have access to a competitive palette of highly biodegradable fragrances, thanks to our regular and intensive testing, along with novel experimental approaches that ensure reliable and accurate data are used for biodegradation categorization.

Since 2021, the Green Gate criteria are applied to advanced materials, which include polymeric encapsulates. Our contribution to the improved environmental impact assessment of these products is backed by a publication in a peer-reviewed scientific journal, the outcome of our collaborative program with EMPA (the Swiss Federal Laboratories for Material Science and Technology) on the modeling of the distribution of microcapsules in environmental compartments. This has enabled us to deliver a more robust and reliable evaluation of the possible degradation mechanisms of our microcapsules once released in nature.

Biodegradation data is continuously updated by our regulatory and R&D teams. New information is also generated to ensure full compliance with legislation and an optimal ingredient palette to deliver on our customers' highest biodegradability expectations.

Our fragrance palette is already fit for the future and continuously being improved. Our digitalized and regularly upgraded EcoScent Compass™, which counts biodegradability as a KPI, gives our perfumers the information they need to create highly biodegradable new fragrances in real time. We are now capable of delivering **100% biodegradable fragrances**, and **44%** of our sales are made in ultimately biodegradable fragrances. These achievements are in line with **GRI 304-2 – Significant impact of activities, products and services on biodiversity**.



> 95% BIODEGRADABLE INGREDIENTS

Our customers have accelerated their sustainable product development innovation programs in response to consumer expectations for eco-friendly products. They have also published measurable sustainability targets for this decade and identified biodegradability as a key target. In the past two years, we have observed **+47%** more personal and home care products launched with the claim "biodegradable" on the market¹. Thanks to our iterative consumer test program for biodegradable fragrances, we are able to deliver **100% biodegradable fragrances** without any compromise on the consumer experience. This is the strategy we intend to follow year on year to push boundaries and reach our 2025 goals and 2030 ambitions.

1. Source: Mintel



CONTRIBUTE TO GLOBAL DIET TRANSFORMATION

SMARTPROTEINS®

In addition to the section “Our fragrance and taste solutions environmental impact”, our proprietary COVID-19 studies revealed a rise in consumer awareness of nutrition and health, with nearly **30%** of consumers surveyed indicating they had increased their consumption of plant-based food during the pandemic. Drilling down further, we see consumers seeking greater variety within their plant-based diet, driven by a desire for greater nutritional value and range of tastes, a trend that will create a pull for more diverse plant crops.

Our SmartProteins® is a key enabler to meeting this demand, offering innovation on established plant proteins such as soy and pea, but also other pulses, grains or oily seeds, such as fava, lentil, oats, canola or sunflower. SmartProteins® solutions overcome the taste challenges of plant proteins and transform them into great-tasting products by addressing specific off-notes of a variety of plant sources to create nutritionally balanced and delicious dairy, cheese and meat analog formulations. The last decade has seen an explosion in intellectual property related to food or food ingredients produced by biofermentation. These new technologies are now reaching market maturity, including

micro-proteins or yeast-based proteins, and typically only use a fraction of agricultural land space. This sustainability aspect offers a highly attractive alternative route for food manufacturers, which relates to **GRI 304-2** – Significant impact of activities, products and services on biodiversity. We support startups in their quest for knowledge, outlets for product development and route to market.

Building on year of research and expert collaboration, Firmenich has established a constantly evolving innovation program that enables customers to create vegetarian and vegan-friendly alternatives to traditional meat, fish and cheese & dairy based products. This year the Research & Development division has brought this forward-thinking approach to life in winning consumer products. They focus on specifics which were published in two peer-reviewed articles “Small and large oscillatory shear properties of concentrated proteins” (July 2020) and “Mapping the texture of plant protein blends for meat analogues” (March 2021). This area of research will continue, thus giving our partners the tools to meet future protein needs.

DIET TRANSFORMATION

SMART PROTEINS®

CONTRIBUTION TO BIODIVERSITY

INNOVATION & TRANSFORMATION – From farmers to consumers

FOOD & BEVERAGE BRANDS

INNOVATION

FORMULATION

CONNECTION

CROP DIVERSITY

People are increasingly aware that consuming less animal-based dairy and meat products is good for both their health and the environment. Great-tasting food and beverages, appealing to local preferences are key to enable transition to more plant-based diets.

SmartProteins® solutions address specific off-notes of a variety of plant sources and create nutritionally balanced and delicious dairy, cheese and meat analog formulations. We are working across the entire value chain from ingredients to finished solutions.

We support startups in their quest for knowledge, outlets for product development and route to market.

Enabling the expansion of the number of agricultural crops used as alternative protein sources is expected to impact the demand side, thus impacting land use and increasing the diversity of crops cultivated.

The graphic illustrates how fostering the rise of alternative proteins contributes to regenerative agriculture principles by promoting farm and crop diversity with new market needs.

05

Caring about People



2025 targets

SUPPLIERS → LOCAL COMMUNITIES → EMPLOYEES → CUSTOMERS → AUTHORITIES → PLANET → INVESTORS → SHAREHOLDERS



GLOBAL

No gender pay gap
No ethnic pay gap
No engagement gap

+50%
of Senior Leaders
are diverse¹

100% of
employees earn
at least a living
wage across the
Firmenich Group

**Industry-leading
safety performance**
BY ACHIEVING A TOTAL
RECORDABLE CASE
(TRC) RATE BELOW 0.20

Differently-abled people
IN OUR WORKFORCE

100%
OF EMPLOYEES TRAINED ON
bias and belonging principles

100%
FIRMENICH MANAGERS
TRAINED ON
Human Rights

100%
OF LINE MANAGERS TRAINED AS
**mental health
first aiders**

This chapter covers Firmenich's FY21 social performance. Aligned with our ESG goals for 2025 and inspired by our ambitions for 2030, the chapter covers all levels of our global value chain. Starting with our colleagues, we address issues related to employee health and safety, as well as our culture of diversity and belonging; we touch on human rights within Firmenich and in our supply chains; we reflect on our tradition of community engagement and philanthropy and we close on how we positively impact the lives of consumers globally.

ACTIVATION

CORPORATE

**Zero
human rights
non compliance
in our Operations**

TRAIN MAJOR
SUPPLIERS ON

**Human Rights
and Responsible
Sourcing**

INGREDIENTS

MAINTAIN OUR
EDGE
CERTIFICATION

SCALE UP OUR
SUPPLIERS' ENGAGEMENT ON
living wage

PERFUMERY

Maintain 100%
COMPLIANCE
WITH IFRA STANDARDS

**Embrace
transparency**

WITH DISCLOSURE
OF INGREDIENTS DOWN
TO 900/100PPM

TASTE & BEYOND

**Sugar
reduction²:**
REDUCE CALORIES
IN PEOPLE'S DIET UP TO
2.8 trillion
(170% REDUCTION VS 2020)

This chapter includes references to GRI material indicators and to Sustainalytics social impact requirements. We follow an end-to-end approach to Caring about People across the Firmenich ecosystem, with a strong focus on social inclusion and protection from the source of our products to the end consumer. Our human capital approach is a critical part of the Firmenich Pathways to Positive strategy. The challenges of FY21 have only helped us to refine and clarify the path we are taking and better position us to keep improving our impacts on our people and the communities where we operate.

1. Members identifying as female and/or ethnically diverse. Senior Leaders are Executives, Senior Presidents, selected Vice Presidents, Senior Directors and Creators that are members of the Senior Leadership Team

2. More information in the Glossary

People performance overview



PEOPLE TARGETS 2025

BELOW

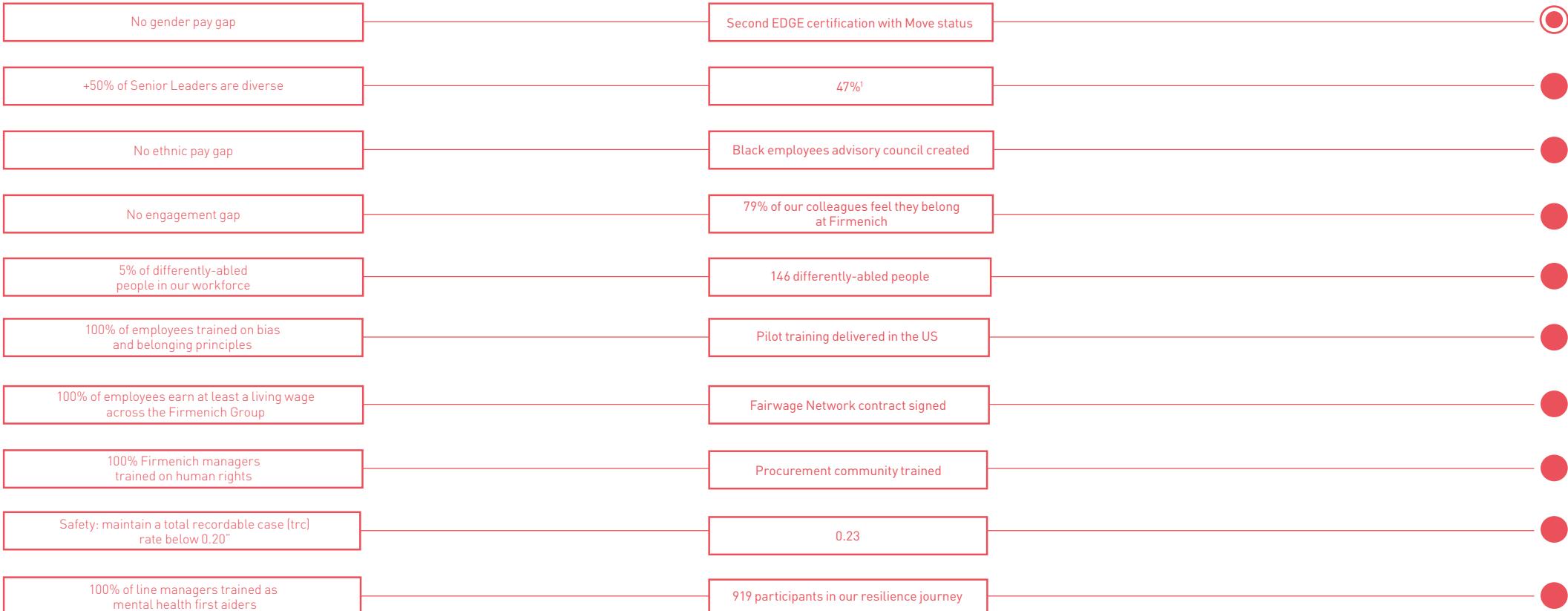
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ABOVE



FY21

STATUS



1. members identified as female and/or ethnically diverse.

People performance overview



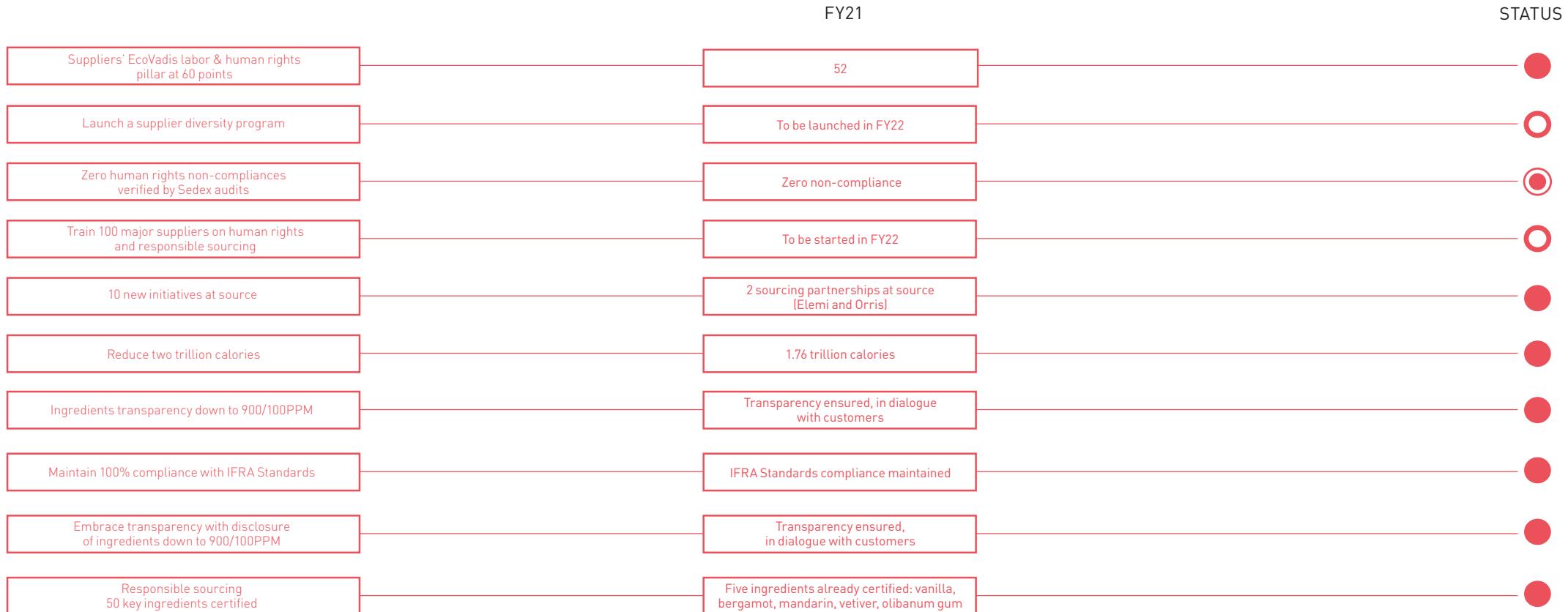
PEOPLE TARGETS 2025

BELOW

ON TRACK

ABOVE

OVER



Our colleagues first

FIRMENICH HUMAN CAPITAL

We are committed to our employees around the world every day, making sure they work in an environment in which we capture their minds and hearts, nurture their learning, and motivate them as employees and active members of society. We believe in being creators of talent for today and for the future, to ensure our Company's heritage and our responsibility to our employees and society. We take pride in investing in our human capital to enable learning, employability and adaptability in our ever-changing world.

How do we do this? By equipping our colleagues with the skills they need to thrive, today and tomorrow. By being curious about new ways of working, identifying skills required for the future workforce, and being flexible and agile to adjust to change. And most importantly, by ensuring each employee and their role contributes to the success of the team and the broader organization and that they feel recognized, valued and rewarded for their contributions.

We are a learning organization, and we believe in providing opportunities for our people to learn every day – through feedback, training, challenging work assignments and career opportunities. By promoting and measuring the movement of talent across roles, teams and the globe, we are building capabilities for the future and motivating the talents we need to develop and retain

to get there. We also strive to ensure our legacy by training young workers of the future and are proud to commit to the development and education of youth through our youth employment programs.

2030 AMBITIONS

The past year has shown us that it has never been more important to support employees and young people around the globe to thrive. We are focused on our responsibility and commitment to achieve our 2030 ambitions to invest in **500,000** hours of training globally and to create **5,000** job opportunities for youth.

PERFORMANCE

In the past year, our employees worldwide have participated in over **89,000 hours of training**. We have intentionally converted our learning programs to virtual platforms so our talents can be inspired to learn from anywhere. We have offered learning opportunities in key strategic areas to support our employees and their future employability: leadership, digital, collaboration tools and technical skills. Our commitment to learning has a positive impact on hiring, retaining and developing our current workforce while ensuring the agility needed for the future. We are inspiring and educating our workforce of the future, offering more than **400 youth job** opportunities through internships, apprenticeships, trainees and university hires over the past year.



2030 AMBITIONS: INVEST IN 500,000 HOURS OF TRAINING GLOBALLY AND CREATE 5,000 JOB OPPORTUNITY

FY21 PROGRESS

IN PLACE IN PROGRESS

Initiatives for talent recruitment

Initiatives for talent development

Initiatives for talent retention

Regular formal performance reviews for all permanent employees aligned with career development

Quantitative targets related to human capital development

Formal mechanisms to promote an open feedback culture

Reporting on human capital development metrics

Reporting on human capital risk assessment



+50 % OF SENIOR LEADERS ARE DIVERSE



100% OF EMPLOYEES TRAINED
ON BIAS AND BELONGING PRINCIPLES

OUR PEOPLE HAVE A VOICE

In May 2021 no less than **89%** of our employees across the globe took part in our Tell Us How You Feel engagement survey. Our overall engagement score remained unchanged compared to 2019 at **7.3**, which keeps Firmenich firmly in the ranks of the high performance companies. The crucial indicators that demonstrate the intrinsic beliefs of our people around agility, energy, growth, purpose, relationships and recognition, scored extremely high at **7.9**. This is a testimony to the resilience of our organization and commitment of our people when weathering an unprecedented crisis, with COVID-19 having significantly impacted our employees and their families. **64%** of our employees are highly engaged, which even shows a **2%** growth compared to 2019.

DIVERSITY AND INCLUSION

Following **GRI 405-1** we disclose the percentage of individuals within the organization's governance bodies (Board of Directors, Executive Committee) in each of the following diversity categories: gender, age group and other indicators of diversity where relevant (minorities, vulnerable groups).

Our definition of diversity goes beyond gender to include all contexts in which people may identify themselves as part of a minority group. These include ethnicity, gender identity, sexual orientation, different-abilities, age, and variety in life background. Our broad-based understanding of diversity is about embracing the power of inclusion of minority groups, securing the engagement of all our colleagues and empowering the best of their creativity and innovation. In order to drive diversity, inclusion and belonging everywhere in our company, we have committed to a series of 2025 goals as part of our ESG ambitions.

We aim to be a diverse company, and we foster a strong inclusive culture that respects every employee for who they are. We know that diverse teams operating within an inclusive environment have proven to be higher performing, more agile and faster in responding to changing consumer needs.

However, achieving a sense of belonging for all is not an automatic outcome of diversity; we need to be proactive on both issues. The biases and structural inequalities that contribute to inequality in society can still be barriers in our workplace. In the coming fiscal year, we will develop a comprehensive program to tackle bias and discrimination in the workplace, starting at management level and then extending to all Firmenich colleagues.

ACHIEVEMENT: This year in North America, over 100 top leaders completed a diversity intensive training program covering microaggressions, inclusion and belonging, allyship and sponsorship and inclusive talent management. This program will be rolled out across the entire Group

LGBTI COLLEAGUES

In September 2020, Firmenich SA received the **Swiss LGBTI-Label** for our inclusive organizational culture for LGBTI people in Switzerland. Following a comprehensive assessment of the effectiveness of our policies, actions and communication, Firmenich SA became one of the first four companies and institutions in French-speaking western Switzerland to be awarded the certification.



With the Swiss LGBTI-Label, we were commended for being a role model through our open public commitments, including by signing the **United Nations LGBTI Standards of Conduct for Business in 2019**, and for our participation in the UN General Assembly panel discussion held in New York on advancing LGBTI rights. Our policies on inclusion include the equal provision of employee benefits to different- or same-gender partners, extended parental leave regardless of gender and explicit commitments to non-discrimination and fighting harassment, as well as to psychological safeguards.

DRIVING A CULTURE OF BELONGING IS EVERYBODY'S BUSINESS

AS COLLEAGUES:

We respect the dignity and diversity of all people and create a truly inclusive environment free from discrimination, harassment and bullying.

We manage any unconscious bias that might hinder our ability to be inclusive and collaborative with one another.

AS MANAGERS:

We ensure that employment-related decisions are discrimination-free.

We mitigate unconscious bias in our people's development, compensation and hiring.

We secure a safe and inclusive workplace environment that reinforces our values.



Achievements recognized by EDGE

We believe the future workforce is an equal one and set bold goals to accelerate gender equality. The business case for gender equality is strong and growing stronger. We set ourselves a target of building a gender-balanced organization. Today, more than **41%** women¹ work at Firmenich. Additionally, **4** out of **9** of our senior Executive Committee are women and **39%** of our Director roles and above are held by women.

EDGE CERTIFICATION

Launched at the Annual Meeting of the World Economic Forum in 2011, the EDGE assessment methodology and certification were developed by the EDGE Certified Foundation. The Foundation acts as the guardian of the EDGE methodology and certification standards, while its commercial arm, EDGE Strategy, works with companies to prepare them for EDGE Certification. In December 2018, Firmenich was the seventh company in the world and the first in its industry to receive an EDGE certification for workplace gender equality.

2021 marked the renewal and upgrade of our global EDGE Certification for gender equality in the workplace to the next level: MOVE status. EDGE has rewarded our progress in expanding

diverse representation at all levels, achieving pay equity and fostering a strong sense of belonging among our diverse workforce worldwide. We are rated at the MOVE level globally under EDGE's rigorous standards.

We have effectively eliminated all gender pay gaps and recognize outstanding performance by outstanding people. Our reward packages are competitive and innovative, providing security and quality of life for every employee. As an EDGE-certified Gender Equality Employer since 2018, we have consistently been raising diverse representation across our global workforce and have achieved zero gender pay gaps.

PARENTAL LEAVE

We have stepped away from traditional maternity leave policies to focus on gender-neutral parental leaves for both childbirth and adoption. We recognize all models of family and the active role both fathers and mothers play in childcare.

In this section, we disclosed **GRI 401-3** - parental leave and total number of employees entitled to parental leave.



¹. excluding all recent acquisitions



Melissa Jones, Human Resources Director,
Perfumery, Diversity & Belonging, USA

We are experiencing a time in which our commitment to diversity and belonging has never been more important. The disproportionate impacts of COVID-19 and longstanding racial injustice have highlighted the need to address socioeconomic disparity and continue to work towards ethnic equity.

In FY21, Firmenich North America's **Better Together** initiative immediately went into action to understand, support and forge change under the leadership of our **Diversity Inclusion and Belonging Council (DIB)**. We have formed a **Black Employee Advisory Council**, which evolved into Firmenich's first employee resource group, FirLessly Black.

We launched a first-ever **Racism Survey** for the Company to gain insight on those who identified as part of a minority and their experiences as employees. Based on insights from the survey, we organized **Listening Circles** to support varied demographics, including Black team members, Asian team members and recently one for LGBTQIA+ team members.

We are focusing our efforts on accelerating representation of African American/Black citizens in our workforce by driving targeted actions in our talent framework, such as facilitating focused talent roundtables highlighting employees of color.

With the world at a critical juncture on diversity and inclusion, our commitment to making a positive difference together has never been stronger.

In May 2021, we published our **Diversity & Belonging** policy, which reinforces our commitment to maintain a culture of belonging by providing a work environment free from discrimination and where everyone is respected, heard and valued.

1. Based on an anonymous survey allowing colleagues to self-identify as part of a minority defined by their own choice of criteria including for instance: age, social background, skin color, different abilities, gender identity and more.

NO ETHNIC PAY GAP

In 2021, we extended our **EDGE inclusion survey beyond gender** and asked all our colleagues in all our countries to identify themselves as part of a majority or minority group and to share their perception of belonging.

More than **5,000** colleagues worldwide responded to the survey, a tremendous outcome that demonstrated their strong sense of belonging as well as their diversity.

KEY FINDINGS FROM OUR INCLUSION SURVEY 2021:

79% feel they belong at Firmenich

80% identified as ambassadors of our brand

84% felt their work was valued by the company

33%¹ identified as being part of a minority

Our global inclusion survey allowed us to identify opportunities to further enhance our supportive and safe work environment, as well as our career path and leadership development. Detailed and anonymized insights into age, different abilities, gender identity, sexual orientation, origin, skin color, culture, life experience and/or background will allow us to carry out tailored actions in the coming months and years to achieve inclusive excellence.

We believe local and meaningful actions are critical to create a truly inclusive environment for all. To that end, each of our affiliates in all our countries have defined a local Diversity & Belonging strategy based on their challenges and business needs.



5% OF DIFFERENTLY-ABLED PEOPLE
IN OUR WORKFORCE BY 2025

DIFFERENTLY-ABLED COLLEAGUES

Building on our long-standing commitment of welcoming people with different abilities, we aim to be an employer of choice for people with different abilities, which is why we are committed to achieving 5% representation by 2025. People with a different ability are among the most under-represented populations in terms of employment and educational opportunities. We want to address this inequality by removing the obstacles that block peoples' progress and tackling stereotypes and bias. These efforts are aligned with our commitment to **The Valuable 500 movement**, which we made in December 2019.

**Today almost 146 people on
our workforce in 16 countries
have different abilities.**

17 local organisations

146 of our colleagues are differently-abled*

38 blind or visually impaired panelists employed
in five countries

*Based on current available data and including 42 US employees as part of
the US self-reported process

ACHIEVEMENT

We were recognized in August 2020 by the President of Singapore, Halimah Yacob, for our outstanding efforts to integrate visually impaired employees. Our program for the visually impaired began in 2015 and now encompasses five countries, namely China, India, Mexico, Singapore and the UK.

In FY21, Firmenich Singapore hired six visually impaired sensory panelists to augment its existing sensory team of five, earning the program international accolades as an example of successful inclusion.

We partner with several organizations to connect with people of different abilities and help them expand their professional skillsets. For example, we established a long-term pioneering program with a local NGO (SGIPA) at our Swiss Headquarters to employ **17** youngsters and young adults with an intellectual disability.



Health and safety

SAFETY MEANS WE LOOK AFTER EACH OTHER

People are our most precious asset. Safety and the care of our people are essential to our Firmenich Fundamentals and corporate values. During this unprecedented global crisis, our colleagues across the Group have shown an incredible commitment and a resilient mindset so that together we were able to maintain an excellent safety record. We will continue to make safety our top priority to keep everyone safe.

PERFORMANCE SUMMARY

Our efforts to uphold the highest standards of health and safety match our family culture and focus on protecting the health and safety of our people and the communities in our value chain. Some of our FY21 achievements, in alignment with **GRI 403-9**, include:

CHF 9 million invested in health and safety projects

0.23 Total Recordable Case (TRC) rate (24% improvement vs. FY16 baseline)

19 manufacturing sites with **zero recordable injuries**

10 manufacturing sites achieved greater than **one million exposure hours injury-free**

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Following **GRI 403-1**, **100%** of our manufacturing sites (not including recent mergers and acquisitions) have upgraded their certification from OHSAS 18001 to the new ISO 45001 standard. We aim to have all acquired manufacturing sites certified by the end of 2025. The standard recommends a risk-based approach

that ensures an organization is effective and undergoes continual improvement to meet its ever-changing context. Firmenich's ISO 45001 certification confirms that we are using comprehensive management systems to comply with all health and safety legal requirements and with our corporate management principles and operational codes. Following **GRI 403-8**, our management system applies to all employees, contractors and partners, regardless of their role or work location. In FY21, due to COVID-19 travel restrictions, we developed a new and very successful remote auditing methodology and conducted remote audits at **9** sites. Despite lockdown measures, we looked for ways to further enhance our robust audit program by conducting quarterly reviews involving our sites and auditors.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PRACTICES AND PROCESSES

Our health and safety (H&S) practices are built on a full integration of H&S performance goals within the Company's overall long-term business strategy. We follow a bottom-up approach to engage all employees during daily peer-to-peer meetings on behavioral safety and subscribe to a family culture-based system in which upper management is accessible to and supportive of H&S advocates within the Company.

Firmenich uses the same incident reporting and investigation system globally with Corporate guidelines and online management system from recording and reporting. The HSE Information Management System (IMS) access is available to everybody in Firmenich, all incident entries generate an email plus web-link to the entry. Initial notification is followed up by an investigation, Root Cause Analysis, action plan and approval process. The HSE IMS is a real driver of continuous improvement as it provides at global level the data, root cause analysis, transparency and it assigns the ownership and accountability for managing identified improvement opportunities.

Referring to **GRI 403-2** and **7**, Firmenich uses a standardized risk assessment methodology at all sites. This risk assessment approach aims to identify, understand, estimate, control and minimize hazards linked to Firmenich's activities. At Firmenich, the risk assessment process is supported by HSE experts but owned by staff and management. This process is ongoing and continuously supplemented by any lessons learned or conclusions from incident investigations.

Since 2014, we have made significant capital investments at our largest factories to upgrade fire and flood protection based on best practices, audit results and incident investigations. In FY21, we invested **CHF 4.8 million** in our global fire and flood protection capital investment program, continuing our focus on upgrading and expanding key fire and asset protection features. Projects include updating existing equipment, improving firewater retention, and advancing fire detection to the highest standards.

We have also begun investing in fire protection at the sites of our recent acquisitions, totaling an additional **CHF 0.9 million** in FY21. Projects include updating existing equipment and advancing fire detection. As mandated by our HSE Management Principles and Operational Codes, our management and employees diligently report, investigate and address incidents. We have been using safety alerts since 2011 to share lessons learned following significant incident investigations.

To track performance and drive continuous improvements, we lead regular quality, health, safety and environment (QHSE) audits at our manufacturing sites. These audits are managed by trained local and international experts who assess QHSE performance against our management systems, our mandatory principles and operational codes, and local and international regulations. Despite lockdown measures, we looked for ways to stay connected in this new normal life and maintain our robust audit program.

HEALTH PROTECTION APPROACH

Occupational health relies on occupational hygiene and medicine. We use a risk-based approach to keep the occupational illness frequency rate to a minimum and ensure our employees feel safe at work. Our process covers exposure assessment and primary control measures to reduce employee exposure. For example, for chemical hazards, we developed a model to assess inhalation risk, implemented a global air monitoring program for chemicals, and established company-wide standards for ventilation systems.

In addition to occupational hygiene, as presented in **GRI 403-3**, we ensure that all our staff receives medical attention through our on-site medical services and external providers. Health concerns are reported globally by our medical services through our global Information Management System (IMS) tool and our Global Occupational Health Network, which comprises doctors, toxicologists, industrial hygienists and health, safety and environment (HSE) specialists. This cross-functional group reviews risk assessment updates and global procedures, sets priorities and monitors improvement programs. This network meets several times a year and shares all findings on an intranet page.

We live in challenging and stressful times that are disruptive and changing the way we live. We must take care of ourselves and look out for each other. That is why we marked the World Mental Health Day in October 2020 and called on everyone to join in supporting each other around the world and help pave the "path to resilience," a series of webinars facilitated by The Resilience Institute.



APPROACH TO COMMUNICATION AND TRAINING

In celebration of the World Day for Safety and Health at Work in 2021, we launched our Safety Time-Out campaign. Our Code of Ethics states that safety is everyone's responsibility and calls on all of us to act "if you see a situation that might pose a safety, health, wellbeing or security hazard." The Safety Time-Out campaign is designed to empower our people to do just that. It encourages each one of us to identify and pause any activity that is unsafe in order to prevent incidents and injuries. Then notify, investigate, correct, resume and follow-up. In line with the Code of Ethics, Firmenich has a zero retaliation policy when a safety time-out is called in good faith and people receive full support from Management. We also involve workers through different projects that will improve and sustain H&S conditions **GRI 403-4**.

SUSTAIN AND FURTHER IMPROVE OUR INDUSTRY-LEADING SAFETY PERFORMANCE BY MAINTAINING A TOTAL RECORDABLE CASE (TRC) RATE BELOW 0.20

Following **GRI 403-5**, our training is managed via a Learning Management system, which defines the HSE training set-up, re-training and awareness procedures for employees and contractors. The system offers full transparency and also manages HSE induction for new employees, visitors and colleagues involved in new activities. In 2021 we implemented and developed new digital tools, such as health and safety video microlearning, virtual reality and gaming to strengthen our training experience, adapt to the new reality of remote work and create enthusiasm for training. Safety training averaged **18** hours per year over the past five years for every employee and supervised contractor in our supply chain.

EMPLOYEE WELLBEING

Our culture of inclusiveness is key to enhancing the wellbeing of our colleagues. As specified in **GRI 403-6**, we want employees to be happy and engaged so they can help Firmenich thrive. We have launched a holistic wellbeing program that addresses the physical, mental, social and financial wellbeing of our colleagues while promoting our Fundamentals, purpose and a healthy and resilient culture. Beyond the strict precautions we implemented globally to protect everyone during COVID-19, we recognize the need to continually enhance our own wellbeing. Despite the current uncertainty, we want each of our colleagues to feel positive, connected, confident and mindful, whether they work on site or from home. This priority led to the launch of FirLife, a digital platform to "Work, Live & Thrive through COVID-19" and beyond. We believe that each of us has a key role to play in building the resilience that liberates our potential to be well and productive, especially in these challenging times.

REINFORCING OUR LEADERSHIP IN SAFETY & INNOVATION

In FY20 and 21, the Royal Society for the Prevention of Accidents (RoSPA) in the UK awarded Firmenich a Gold Award for our global health and safety performance. RoSPA Gold Award recipient organizations are recognized as world leaders in health and safety practice. Everyone at Firmenich is deeply committed to ensuring that all our colleagues everywhere can work safely and go home unharmed and healthy at the end of every workday. As a RoSPA Gold Award winner, we are driving up standards and setting new benchmarks for organizations everywhere.

We were selected as a finalist for the SAP Innovation Awards 2021 with our entry “Moving Safety Management into the Future,” which the judges considered to be one of the most compelling examples of innovation among close to **400** entries. Our FirSafe mobile application shows our ambition and our desire to strengthen our digital expertise in the service of health and safety. These achievements illustrate our dedication to setting industry-leading standards in H&S and keeping employees and partners safe at work.

Throughout the pandemic, our teams across the world helped to keep our people safe – from onsite signage, training and support on COVID safety to health consultation and advisory. A call out to all those workers. One of them was Christine a nurse and staff member of our Geneva medical services. She embodies what “Caring for People” means for the Company. Our heartfelt thanks go out to Christine and all the medical staff and individuals who played an active role on the front line during the pandemic.

Christine represents what
“Caring about People”
means for the Company.



Mental health first aiders

We want all our colleagues to be mentally healthy and make the most of their potential by being able to cope well with life's challenges. Everyone needs to have a chance to play their part in their family, workplace, and community. We are launching initiatives to build awareness to break the stigma of mental health, enhance resilience and coping capacity, and provide access to treatment and support services.

PERFORMANCE

Since November 2020, **919** colleagues including **336** line managers have participated in our one-month resilience journey, a series of webinars led by external experts during which constructive reflections and practical strategies were taught to help strengthen our resilience and promote a more balanced lifestyle.

In May 2021, we launched a resilience program across our global operations. Over **450** colleagues took a team diagnostic, and leaders were trained and coached to help them see how their emotional wellbeing could positively impact performance, decision-making and creativity for themselves and their teams.

In line with our ESG ambitions, we will roll out a global and comprehensive program in the next fiscal year to build awareness and break the stigma of mental health, enhance resilience and coping capacity, and provide access to treatment and support services. These efforts will include a Mental Health Awareness course available to all; training for our line managers on mental health skills; and training for our HR Business Partners and HSE experts as Mental Health First Aiders. We will also train leaders



100% OF OUR LINE MANAGERS TO BE TRAINED AS MENTAL HEALTH FIRST AIDERS



on resilience capabilities building and the importance of self-care and role modelling.

We have adapted our Flexible Working guidelines issued in 2018 and implemented our Smarter Working Guidelines, designed to help make the resilient the "new normal". Smarter Working gives individuals choice in where, when and how they work while ensuring collaboration, wellbeing and business growth.

The pandemic has highlighted the challenges that many people face with remote working. We recognize the need to provide long-term advice and support as smarter working patterns gradually complement the office environment. To help us adapt to

this evolution, we have produced the Ultimate Guide for Remote Working, designed to help each of us maintain a balanced daily routine by providing hints and tips on a range of topics. These include: creating a healthy workplace, structuring our work day, maintaining a healthy balance to support individual and team wellbeing, interacting virtually and maintaining team connectivity. In addition, we have developed a Smarter Working & Ergonomics training that outlines best ergonomic practices for preserving our health, comfort and wellbeing when working from home or outside Fidmenich premises.

Protecting human rights in the supply chain

HUMAN RIGHTS MANAGEMENT

Conducting regular human rights due diligence is central to our approach. Our human rights impacts are independently assessed through SMETA audits by Sedex, EcoVadis questionnaires, and the Union for Ethical BioTrade field audits. We were the first company in our industry to sign the UN Global Compact Action Platform for Decent Work in Global Supply Chains in 2019. In 2020, we remained an active participant on the platform.

Human rights are one of our key concerns, from ensuring health and safety during a pandemic to standing up for social justice. Firmenich strives to protect individuals and reduce inequalities. We demand the highest human rights standards in our business and our supply chain. Our Human Rights Policy outlines our commitments and expectations from colleagues and suppliers while encouraging our business partners to follow similar principles. It complements our Code of Ethics and our Responsible Sourcing Policy, which states what we expect from all business partners.

Our human rights-based approach is managed by a transversal Executive Human Rights Committee, whose membership includes our Chief Human Resources Officer; Senior Vice President Quality, Health, Safety and Environment; Senior Vice President Human Resources for Ingredients and Research; as well as the General Manager of Firmenich Geneva; Senior Vice President Legal Counsel; Senior Vice President Supply Chain; Vice President Business Ethics; and led by the Chief Sustainability Officer. The committee meets monthly to review progress on our Human Rights action plan, review any new policy requirements in Switzerland, in the EU and beyond and take necessary decisions to meet the Company's ESG ambitions.



Human Rights Policy

EFFECTIVE DATE: 01.07.2021



Human rights training

CARING ABOUT PEOPLE THROUGH RESPONSIBLE PROCUREMENT BY MOHAMEDERRAJI

Mohamed, how would you describe your role at Firmenich?

As Vice President Global Taste & Beyond Procurement, with my team we are in charge of implementing business related to raw materials sourcing strategies. As a member of our Taste & Beyond leadership team, I closely support our business related strategies to raw material sourcing. I also ensure end-to-end connections from suppliers to customers. We ensure the sustainable supply of key raw materials, such as vanilla, citrus and fruits, sweeteners, herbs and spices and much more – over **3,000** raw materials from all around the globe, in close collaboration with our key suppliers and partners.

Why is human rights training important for buyers?

The human rights scope is embedded in our Sourcing Managers Training plan. This matters a lot as it helps us deeply understand the topic. Our team can engage more effectively with our suppliers and tackle specific human rights concerns in their respective areas. In addition to other Firmenich policies, ensuring that our teams are fully engaged, trained and skilled on this important topic is an obvious priority. Thanks to this training, our procurement managers will be able to be more proactive in delivering on our ESG Ambitions 2030.

How do you concretely tackle human rights issues with your suppliers?

Human rights are an essential element of our Responsible Procurement policy at Firmenich. Specifically, we engage with our suppliers to ensure they understand the Firmenich Human Rights Policy and develop it throughout their own supply chain all the way to the concerned smallholders.

We leverage the EcoVadis platform to assess and monitor labor and human rights, ensuring that proper checks and audits are performed from supplier onboarding to regular supply.

We also rely on our own approach and promote special actions in specific industries, such as the Sustainable Vanilla Initiative, where we support the publication of the "Guide for Exporter Code of Conduct on Child Labor."

Why is Caring about People important for you?

Caring about People is of the utmost importance for me, in both my daily activities and as a member of Firmenich leadership. It means caring about our teams, ensuring that they are heard, supported and encouraged. It means fostering the key behaviors and attitudes we expect from our next generation of leaders. And it means caring about our internal and external stakeholders.

Since the COVID-19 pandemic started, I have personally engaged with my team, staying abreast of how they and their families were affected, and offering support and flexibility so that they could adjust to restrictions, such as working from home. With our internal partners, I made sure we stand together to keep our "customer first" approach. Last but certainly not least, I engaged very early on and on a regular basis with our external partners to understand how the pandemic hit them personally and also how it impacted their own teams and their smallholders.



HOURS OF HUMAN
RIGHTS TRAINING

GRI 412-1 is related to operations that have been subject to human rights reviews or impact assessments.

GRI 412-2 includes the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.

Right after the launch of our ESG goals, we began our Human Rights Training program, following its review and approval by the Firmenich Executive Committee on Human Rights. Our training and learning approach on human rights covers five key areas:

1. Training of human rights coaches

These coaches will become reference colleagues for any colleague who has a human rights-related question, issue or project. The coaches have been trained by the UN Global Compact Network Switzerland through a **15-hour online program**.

2. Human rights training for procurement

Through the Firmenich Sustainability Academy, we produced a **30-minute training video** covering all procurements functions. Adapted from a training module designed by the UN Global Compact Academy, the video explains the role a procurement team can play in improving working conditions in global supply chains.



100% OF FIRMENICH MANAGERS
TRAINED ON HUMAN RIGHTS BY 2025

3. Human rights for managers

This course is planned to launch in FY22

4. Human rights executive coaching

In the past three years, Firmenich has been working with a leading human rights expert who participated in the drafting of the UN Guiding Principles on Human Rights. This expert participates in all our committee meetings and offers coaching and insight to the Executive Committee on Human Rights on a monthly basis.

5. Human rights as part of other trainings

Besides targeted human rights trainings, other available trainings addressing human rights includes: training on the United Nations Development Goals; safety trainings; procurement trainings; training on policies; training on biases; and leadership development programs promoting inclusive behavior.

Human rights in our operations

Since 2009, Firmenich has worked with Sedex (Supplier Ethical Data Exchange-N°ZC1084366), both as a buyer, requiring our suppliers to conduct audits; and as a supplier, meeting our customers' Sedex requirements. Sedex is one of the world's leading ethical trade service providers, acting to improve working conditions in global supply chains, which positions it as a strategic third party for the verification of our human rights impacts.

The Sedex platform makes Firmenich production site audits visible and accessible for all our customers requiring such information. Site level documentation accessible on the Sedex platform is based on the Sedex Members Ethical Trade Audit (SMETA) 6.1 methodology and standard. SMETA, the world leading social audit, is based on four pillars: labor standards, health and safety, business ethic and environment.

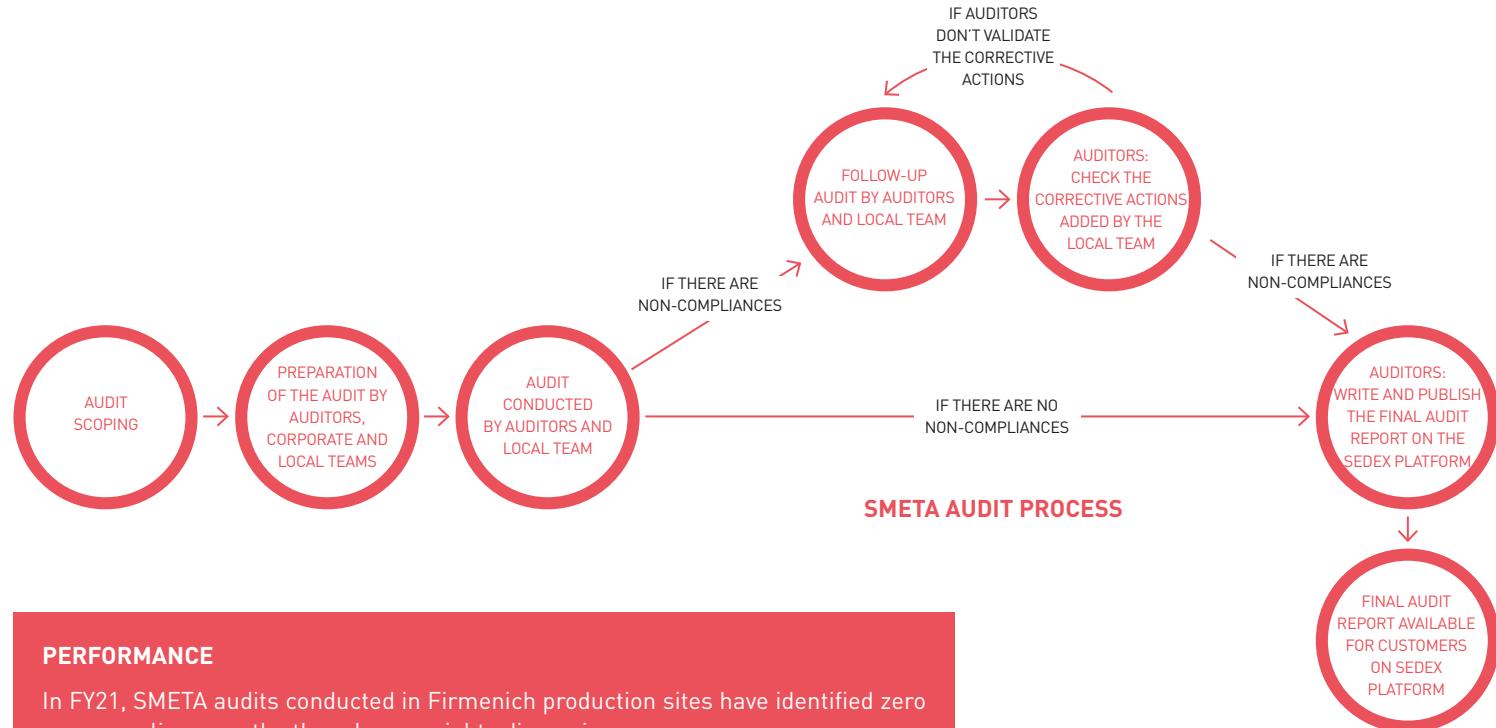
100% of our production sites are regularly SMETA audited, and their reports are shared on the platform with over 100 customers. We decided to leverage Sedex platform in our human rights due diligence approach because it includes material human rights dimensions, as described in the table:



ZERO HUMAN RIGHTS NON-COMPLIANCE IN OUR
OPERATIONS VERIFIED BY SMETA AUDIT

NO DISCRIMINATION IS PRACTICED	No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation
	There shall be no new recruitment of child labor
CHILD LABOR SHALL NOT BE USED	Companies shall develop or participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child
	Children and young persons under 18 shall not be employed at night or in hazardous conditions
These policies and procedures shall conform to the provisions of the relevant ILO Standards	
NO HARSH OR INHUMANE TREATMENT IS ALLOWED	Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited
	Companies should provide access to a confidential grievance mechanism for all workers

Source : Sedex SMETA Standard



PERFORMANCE

In FY21, SMETA audits conducted in Firmenich production sites have identified zero non-compliance on the three human rights dimensions:

- > No discrimination
- > No child labor
- > No harsh or inhumane treatment

 **ZERO HUMAN RIGHTS NON-COMPLIANCE IN OUR OPERATIONS VERIFIED BY SMETA AUDIT**



Living wage



DEFINITION

A living wage is defined as the wage that is required to purchase the goods and services needed to meet a minimum acceptable living standard for workers and their families, encompassing access to health, food and nutrition, housing and education. Our current approach focuses on our own employees. We seek first to learn best practices and then deploy them with our suppliers. In the meantime, we are also working with customers who champion a living wage approach in their value chain. We are participating in living wage groups, including the UN Global Compact Decent Work in Supply Chain platform; IDH (The Sustainable Trade Initiative); Sustainable Vanilla Initiative (SVI); and the Juice Covenant on the juice value chain.

OUR FAIR PAY APPROACH

A living wage is embedded within a wider set of responsible pay practices and principles already in place at Firmenich, such as competitiveness, fairness, equality and reward for performance. Ensuring that people earn a living wage is an additional and critical step toward strengthening our equitable culture by ensuring that people can afford a decent standard of living. Beyond doing the right thing for Firmenich employees and their immediate families, we are mindful of the impact that a living wage has and the benefit it brings to economic growth and the communities where we operate.



ACHIEVEMENTS

A market analysis was performed in spring 2021 investigating the approach and roadmap of our primary customers. At the same time, we contacted the main organizations who can support us to becoming living wage certified to discuss their methodology, understand their experience and expertise and review in detail the services they offer. Following a comprehensive process, Fairwage Network was selected as our global provider.

Fairwage Network will provide advice on developing key objectives and guiding principles towards a global fair pay approach, building on our existing accomplishments in this area. They will also be our data provider, ensuring a robust assessment of current pay practices, salary levels and any living wage gaps. Remediation exercise will be performed to implement any necessary improvements in pay levels. Finally, we plan to earn Living Wage certifications in all our affiliates worldwide by 2025. Partnership agreements have been signed, with project operationalization starting in October 2021.



Caring about Communities



COMMUNITY ENGAGEMENT

For decades, Firmenich has prized an inclusive relationship with all the communities where we operate globally, including with the communities where we source. Our family culture has inspired us to care and contribute to many causes through volunteering and philanthropic efforts. Our long-standing yearly Community Day celebrates the commitment of our colleagues throughout the year. Everyone at Firmenich is offered a full workday to go out and meet the stakeholders we are supporting through social and environmental projects. Our Community Day 2020 was, of course, impacted by the COVID-19 pandemic, but we found other ways to connect with the people in our communities. Our affiliates focused on donations to support the hygiene and nutrition needs of disadvantaged groups. From South Africa to Germany, Argentina, Brazil, France, Switzerland, Singapore, the United States, Dubai, Indonesia and elsewhere our colleagues have offered support to local organizations that work directly with people in need.

LEARNINGS

This year, we learned two major lessons related to community engagement.

First, we are not sufficiently tracking our efforts and their impact. A good example is our Community Day: we do not know how many beneficiaries have been impacted through our outreach. Our efforts not only include communities in need where we operate but also supporting our communities at large, including working with local authorities on ESG topics, creating engagement and awareness. We also share our expertise in conferences or with leading schools globally, including IMD, INSEAD, Wharton and many others to help train future ESG leaders and contribute our part to a global transformation movement. All of these activities and their impacts will be better quantified going forward.

Second, we will implement a uniform policy and clear guidelines to support our general managers in their engagement with communities. Historically, we have acted informally in line with our culture of care. Through our B Corp process and Sustainalytics assessment, we learned that we need to keep track of our global and local outreach in order to quantify our impacts on communities and frame our approach as part of our overall stakeholder engagement strategy described in chapter 2 of this report.

IMPROVEMENTS

We have developed a new corporate policy on community relations with the key requirement that all affiliates and staff involved in community engagement work to maximize our direct or indirect positive economic impact on the local communities surrounding our operations, and on the communities where we source raw materials. This new policy is available on our website. In India, our team has been very engaged on social impact projects for the past few years by supporting access to sanitation, for instance. The team has now created a CSR Policy and Charter that will help guide a large local social impact program driven by a local governance mechanism known as the India CSR Committee.

Human Rights in our Value Chain

We aim to leverage our purchasing power to have a positive impact on people and nature and strengthen our resilience in combatting climate change. Our suppliers are now required to monitor their social and environmental impacts through independent third parties such as EcoVadis and Sedex. We believe it is critical to stimulate transformation and positive change through field-based collaborations at source. We are building on our initial digital traceability experiences and have begun the design and deployment of a full traceability strategy.

SUPPLIERS ENGAGEMENTS

We request that our suppliers align with our Responsible Sourcing Policy as part of their commitment to operating in the most ethical, traceable and sustainable value chain. We believe that by working hand in hand with our suppliers, we can make an even bigger impact on society and the planet.

Our strategy to more fully involve our suppliers includes strengthening our existing Supplier Management and Collaboration program, as part of our supplier lifecycle management. Since March 2020, we have been asking our suppliers to adopt the EcoVadis platform and answer the EcoVadis assessment, which covers the environment, people, ethics and responsible sourcing practices. We are using EcoVadis assessments and score cards for supplier qualification and monitoring as part of supplier lifecycle management. We have been conducting our own assessments through EcoVadis assessment for many years. Based on our detailed knowledge of the platform, we knew how it would benefit our suppliers:



90% OF OUR SUPPLIERS' SPEND RATED ECOVADIS SILVER



RAISE GLOBAL SCORE OF OUR SUPPLIERS' ECOVADIS LABOR & HUMAN RIGHTS PILLAR TO 60 POINTS

- > **Simplification:** answering one questionnaire for all their customers
- > **Transformation:** benefiting from online real-time performance dashboards and online training and coaching in many languages
- > **Credibility:** the EcoVadis medals are recognized by all their customers and beyond

Our vision is to drive improvements at scale based on the sharing of data and globally accepted standards, which will accelerate global traceability from our suppliers to our customers. We gave feedback to EcoVadis on our suppliers' experience to keep improving our outreach. For instance, the tool can sometimes be quite challenging for our small suppliers of natural raw materials, who might have a less documented and formalized approach. We hold ongoing discussions with EcoVadis at the highest level to consider the needs of small companies operating at source. Our CPO Gianluca Colombo, who is now on the EcoVadis CPO advisory board, is championing this approach. We are also looking at connecting EcoVadis with our biodiversity partner UEBT to harmonize questionnaires.

At Firmenich we encourage our suppliers to always be in a continuous improvement mindset and to progressively implement advanced or best practices so that by 2030, we can attain our goal of 90% of our suppliers' spend qualifying for an EcoVadis Silver rating.

PERFORMANCE

We have been monitoring our suppliers' progress on a regular basis.

In our first year of tracking this data, we have now 73% of our suppliers reporting to EcoVadis and 38% of the assessed supplier spend received a silver rating or higher. In addition, our suppliers' current average score on the Labor & Human Rights pillar is 52 out of 100 points total. In our Supplier Expectation Manual, we devote special attention to the EcoVadis Labor & Human Rights pillar, encouraging our partners to raise their scores on related issues annually. By 2030, we aim to raise the global score of our suppliers on the Labor & Human Rights pillar to 60 out of 100 points total.

Supplier Management and Collaboration program

Our Supplier Management and Collaboration program offers an overview of a supplier's level of commitment to responsible business practices, including:

- › Acceptance of our Code of Ethics
- › Acknowledgement of the Firmenich Responsible Sourcing Policy and Supplier Expectations Manual
- › Compliance self-assessment questionnaires
- › Risk-based supplier audits, including gap analysis and action plan
- › Supplier non-conformances
- › EcoVadis, Sedex and CDP performance data

Responsible Sourcing dashboards were set up at the manufacturer and raw materials levels, merging all available sources of information into one overview, including, but not limited to EcoVadis and Sedex supplier scores. These activities enable us to minimize or mitigate risks and ensure continuous improvement guidance. In addition, every fiscal year, the Supplier Audit Plan is defined using a risk-based approach that relies on geographical information to map out where and how to conduct supplier audits.

PERFORMANCE

The FY21 Supplier Audit Plan was launched in July 2020, providing for audit activities throughout the fiscal year at various locations and increasing the ability to react to exceptional adverse conditions, such

as the ongoing COVID-19 pandemic.

During FY21, the scope of the Supplier Audit Plan was broadened to include audits in external warehouses, distribution centers and packaging manufacturers.

In spite of COVID-19, Firmenich performed **154** suppliers audits. We have outperformed our annual target by **48%**.

SUPPLIER HEALTH AND SAFETY

Firmenich recognizes the ongoing health and safety risks of its suppliers. These are addressed in the Supplier Management and Collaboration program and the Responsible Sourcing Policy. We have called upon our suppliers to join us on this journey. The supplier self-assessment, the Supplier Expectations Manual, supplier audits and the EcoVadis/Sedex assessments all contain strong tenets on health and safety, encouraging our partners to raise the bar to protect the wellbeing of their collaborators so that they can manage human rights risks to people.

All these sources of information are collected and consolidated in the Risk Assessment tool and the Responsible Sourcing Policy dashboard. We then conduct a detailed analysis to identify supplier health and safety best practices or improvement opportunities. The Procurement team strives to continuously challenge suppliers to move the needle and go beyond the minimum requirements so that they can better ensure the health and safety of anyone involved in

their operations.

SUPPLIER EXPECTATION

Firmenich is adamant that materials and services be procured from reputable suppliers who are aligned with the Firmenich Code of Ethics (CoE) and Responsible Sourcing Policy (RSP), stemming from our commitment to operate in the most ethical, traceable and responsible supply chain.

This year we launched our Supplier Expectations Manual, a joint effort by our Suppliers Excellence team and internal experts from business ethics, human rights, health and safety, quality management, product protection and environment management.

The manual is aligned with our procurement strategy and increases transparency within the Firmenich supply chain by supporting the current supplier life cycle management process. It has been designed to help clarify Firmenich expectations and engage our suppliers in a continuous improvement journey.

The Supplier Expectation Manual applies to direct suppliers and sub-contractors, raw and packaging material co-manufacturers, co-manufacturing partners, third-party manufacturers, and external warehouses and distribution centers (finished goods, ingredients, processing aids and/or packaging storage).



Supplier diversity

SUPPLIER DIVERSITY

As part of our ESG journey, Firmenich has committed to launch a global supplier diversity program by 2025. We are currently working on scoping an impactful approach and developing a five-year action plan.

We are actively involved with our customers known for their expertise on diversity and are also working with diversity/certification organizations to ensure that we develop a meaningful program. We aim to build an approach aligned with the values of Firmenich that allows us to drive positive change through our purchasing power. We have already launched several initiatives, with plans to expand the following efforts:



LAUNCH A SUPPLIER DIVERSITY PROGRAM

- › A U.S. supplier diversity program for women-owned businesses and ethnic minority-owned businesses
- › Partnerships with European companies employing differently-abled people
- › Our Inclusive Sensory Panels program, which hires blind and visually impaired professionals through external agencies in China, Mexico, UK, Switzerland, India, South Africa, and Singapore
- › Partnerships with women-owned businesses that are actively involved in economically empowering local women, part of our Naturals Together™ program
- › Monitoring and challenging our majority-owned suppliers to make progress and commitments on diversity on the EcoVadis platform

Human rights at source

To address human rights with our suppliers, our strategy is first to raise awareness and train the entire procurement community on human rights, including on the UN Human Rights Guiding Principles for Business, as well as on emerging human rights laws and management practices. These efforts include a strong focus on the roles of EcoVadis and the Union For Ethical BioTrade (UEBT) and their evaluation of our supply chains. Both organizations' standards pay great attention to human rights, with one entire EcoVadis pillar devoted to assessing a company's record of accomplishment on human rights.



Our recent actions to strengthen human rights at source include:

- › Our Chief Procurement Officer has been named a member of our Human Rights Committee
- › A training on our procurement principles was held in FY21 for the entire procurement team. The session included a presentation of our Responsible Sourcing Policy, with a special focus on respecting human rights and people's health and safety
- › Our new Supplier Expectations Manual, published in April 2021, is fully aligned with our Responsible Sourcing Policy and includes a series of requirements and expectations based on ethics, human rights and labor rights. Our Chief Procurement Officer has mandated that the entire procurement teams attend a new e-training module developed by the United Nations Global Compact: "How procurement decisions can advance decent work in supply chains." This module provides guidance on engaging with suppliers on executive Human Rights Committee

Our projects at source require a good level of interaction with all our stakeholders (customers, suppliers, NGOs) and ensuring robustness in our project management is essential

Our Chief Purchasing Officer has put in place in June 2021 a new governance mechanism to manage ongoing projects and design new ones. Main changes are listed hereafter:



10 NEW INITIATIVES AT SOURCE INCLUDING A FOCUS ON WOMEN EMPOWERMENT, EDUCATION, HUMAN RIGHTS PRACTICES AND A LIVING WAGE

- › A Vice-President Responsible Procurement chairman of a monthly control-tower committee has been appointed. The committee monitors existing projects, designs new ones in close coordination with our Perfumery and Taste & Beyond divisions and ensures the appropriate level of resources
- › Each project has a governance in place. Sourcing Managers of the relevant vendors are always involved as Project Managers or Project Owners
- › A dedicated team within Procurement centralizes the best practices, and has the specific skills to manage the most complex projects on the ground or support punctually other projects when required during the design or implementation

Whenever possible, our future projects will include a human rights driver, be it related to a living wage, children's education or women empowerment.



PERFORMANCE

This year we designed two new projects at source:

ELEMI GUM DISTILLERY IN THE PHILIPPINES

- The project is to implement a distillery in the island of Luzon (Philippines) to produce essential oil from the local Elemi Gum
- The distillery will strengthen the local Elemi supply chain, operated by Firmenich local long time supplier/partner in gum
- The project is a co-investment with a like-minded company
- Planned production: **30** tons of oil/year
- The project also includes supply of Elemi trees seedlings and training to tappers
- Calendar: distillery will be running end of FY22



10 NEW INITIATIVES AT SOURCE – INCLUDING FOCUS ON
WOMEN EMPOWERMENT, EDUCATION, HUMAN RIGHTS
PRACTICES AND LIVING WAGE

ORRIS IN PROVENCE: A NEW SECURED SUPPLY CHAIN

- The target is to create an alternate source of supply of Orris roots, replacing China with an integrated supply chain in the region of Provence, France, based on our partnership with SCA3P, already our supplier of Lavandin and Lavender
- We will design a growing curve for **18** ha and a production of **16** tons of dried roots
- The project is designed for **5** years, yielding a first production in 2024 and resulting in offering extra activities to local farmers and producing at a better cost than China
- The project is designed as a co-investment with a like-minded company

CASE STUDY

Mahadera Agricultural Training Center in Madagascar

This educational project is a concrete example of how we walk the talk for sourcing responsibly, with a positive impact on society at a local level. In 2020, we launched this program in Antsirabe, Madagascar with our vanilla sourcing partner Authentic Products to support a more sustainable future for vanilla-grower families. The Mahadera Farming Training Center, named after the region and the local Malagasy word for “pride,” offers a comprehensive three-year program. Our goal is to empower local rural youth and improve their long-term livelihoods through courses on agricultural and financial management.

Despite the COVID-19 pandemic, we are already seeing results. **77 students** are currently enrolled (**30 first-year students** and **47 second-year students**). The initial courses focused on cash crops, breeding, subsistence crops such as market gardening and fruit-trees, live-stock farming and financial accounting. We have also

been investing locally to ensure that we really contribute to strengthen farming activities in the region and secure a sustainable future for these communities. To date we (Firmenich, Authentic and our two co-funding clients) have financed the construction of infrastructure, the **25 ha of land** and the whole organization to run the farming center.

We are closely monitoring the project through regular reporting from the field to track progress on action. We are committed to building up this program even further and will welcome **45 new students** for the new school year 2021/2022.



CASE STUDY

Digital traceability with Path2Farm™

The Path2Farm™ program is a breakthrough digital traceability solution for naturals sourcing. As a fully transparent source of information, this proprietary digital platform delivers tangible and guaranteed data to mitigate risks linked to human rights issues, including forced and child labor, and to ensure best product quality compliance. It helps us measure the socio-economics of farming communities as well as agricultural and environmental positive impacts generated by Firmenich's ethical business, from the most sensitive producing communities to end consumers.

It provides Firmenich with a solution to monitor our suppliers and partners' engagements and offers our customers an innovative way to integrate responsibility in their decision-making.

By working hand in hand with our local long-term partners, we ensure the complete and respectful control of our natural ingredients value chain. Partially developed in-house, the Path2Farm™ digital platform provides access to secured data and information on the origin of biomass through farm geo-plotting and farmer registration.

As of today, the application has been put into operation in three countries, and some **3,115** farmers have registered, **25%** of whom are women and covering more than **2,250** geo-plotted fields. It ensures the complete traceability of three key resources: elemi in the Philippines, vanilla in Madagascar and jasmine in India.

The in-house profiling section of the program allows an in-depth customization of an extensive dataset of over **200** questions to

adapt to specific situations (risks and local socioeconomics) and the sustainability objectives of a given supply chain, along with product quality. To ensure high-level data quality, farmers' registration and data collection is performed most often by suppliers' agents or by a third party mandated by Firmenich.

As data collection is logged offline, it enables Firmenich and our suppliers to gather information from remote areas that have no internet connection and enroll communities with otherwise limited access to market.

Farmers' profiling provides us with a more precise vision of the challenges and needs of producers. It offers a better supply-chain monitoring system for suppliers and follow-up confirmation that the most pressing issues have been addressed. The data we collect covers three areas:

Livelihoods: Questions related to the farmers and their households to ensure their decent livelihood

Agriculture: Questions related to agricultural practices to ensure that good agricultural practices are implemented

Farm profitability: Questions related to agricultural expenses and incomes at farm level

From this base, we can conduct highly customized data analysis, including correlation and trend analysis as well as sustainable project monitoring. Key indicator trends will be examined at regular intervals to measure their evolution and the impacts of our sustainability programs.



Data from our vanilla farmers in Madagascar shows that **96%** of the farmers' households have access to water the entire year and to proper housing, while **90%** of them have access to health care.

Thanks to this profiling, end-to-end traceability not only links farmers to end consumers, it also demonstrates and proves full transparency and that producers' livelihoods and production practices are guaranteed.



CASE STUDY

The Azhour Cooperative project in Morocco

This project was launched in 2018 with our local partner Les Arômes du Maroc to improve the lives and earnings of **200** women seasonal orange flower pickers. The project involves the bottling and selling of floral water to help them supplement their income. Our partner NGO CARE has been monitoring the program and reports encouraging results. They conducted interviews with **50** participants who say they are pleased with their greater sense of autonomy and better earnings. The CARE survey also highlights the difficulty of establishing more social equality between men and women in Morocco.

Although COVID-19 has temporarily slowed down our plans, we are determined to further advance the issue of human rights in our value chain through several new projects. These will be based on the experience we have gained in our Naturals Together™ program, an annual meeting we have hosted since 2014 with some of the most advanced producers and partners at source. These face-to-face meetings have given us precious information about work in the field, enabling us to focus on areas that clearly need improvement.





TRAIN 100 MAJOR SUPPLIERS ON HUMAN RIGHTS

RESPONSIBLE SOURCING

Creating sustainable value is also about driving a responsible and transparent supply chain everywhere. Our actions are guided by our Responsible Sourcing Policy. We leverage our purchasing power to have a positive impact on climate, nature and people. Sustainable procurement is essential to our ESG Ambitions 2030. We also scaled up our certification efforts related to sourcing.

Our responsible sourcing strategy is based on three key drivers:



PROTECT: Three levels of ingredients certifications to meet our customers' needs and requests



ADVANCE: Sustained involvement at source through new programs on Nature and People, as well as our digital traceability tool Path2Farm™



CONNECT: Host a yearly meeting of our 21 Naturals Together™ members to assess progress, achievements and challenges in the area of natural ingredients



2030 AMBITIONS: 50 KEY INGREDIENTS CERTIFIED

Our PROTECT pillar offers three levels of certification, the ultimate being a third-party certification of an ingredient.

We have selected and partnered with the most advanced and recognized labels in our industry: Fair for Life, Fairtrade, Fair Wild, and Responsible Sourcing Palm Oil (RSPO).

In addition, we have set the target to offer a selection of **50** certified ingredients by 2030. This will be achieved either through our suppliers' own initiatives or collaboration between Firmenich and our customers on specific requests.

We currently have five certified ingredients: vanilla, bergamot, mandarin, vetiver, olibanum gum.

CONFLICT MINERALS

As a responsible company, we are committed to operate within a responsible supply chain, respect and support human rights as evidenced by our Human Rights Policy Statement, our Code of Ethics and Business as well as our Responsible sourcing policy. We are also committed to support our customers to comply with their reporting requirements related to their value chain exposures.

Due to the nature of our business, Firmenich's exposure to conflict minerals is indirect and very limited. We may potentially be exposed to "conflict minerals" through the use of catalysts in the manufacturing process of our products. We conduct due diligence checks to find out the origin of the relevant materials and ensure traceability through the following internal procedures: supplier qualification and raw materials introduction process.

Where a catalyst uses a material defined as "conflict minerals", our Global Regulatory Services review the supplier's certificate(s) to guarantee compliance with the applicable regulations. As it is the case for any other material sourced by Firmenich, if a supplier does not satisfy the requirements, we reserve the right to look for alternative sources and/or substitute the raw material with a different one.



OUR PHILANTHROPY TRADITION

Caring beyond our business by Matthew Furner

Matthew, you have been the Chairman of the Firmenich Charitable Foundation since 2017, in addition to your other roles as President of Firmenich NAM and SVP HR. Can you tell us more about the Foundation's heritage?

For decades, philanthropy has been a key part of Firmenich's culture. The Firmenich family has a long tradition of giving. The Foundation was established in 2010 in Princeton by Patrick Firmenich and David Shipman, our first Global Head of Compliance and Sustainability. The Foundation is fully independent from Firmenich and is registered as a **501(c)(3)** charitable organization in the United States. The initial concept of the Foundation was to support Haiti following the devastating earthquake in 2010. Haiti is well known for its cultivation and supply of vetiver, a natural raw material widely used in the fragrance industry. The first focus was to provide education to children in Haiti. While the Foundation has continued its support to Haiti over the past ten years, it has also enlarged its focus well beyond, supporting people with cancer, relieving hunger, improving nutrition, enabling sustainable agriculture and environmental projects, as well as supporting local communities worldwide.



Patrick Firmenich, Chairman of the Firmenich Board, visiting Haiti



The COVID-19 crisis this year created new social inequalities. Can you describe how the Foundation has supported local actions involving our colleagues?

Local impact is a key priority for the Foundation, particularly in communities that we understand well, thanks to Firmenich's global presence. It was only natural for the Foundation to turn its focus to provide relief from the devastating effects of COVID-19. The Foundation worked across the globe to partner at community level where the needs were greatest. Our COVID-19 relief efforts centered primarily on food, hygiene and sanitation security and supply, as well as providing relief and assistance to front-line workers and their families. Since July 1, 2020 through June 2021, the Foundation partnered in 15 countries through **31 projects** to provide COVID-19 relief. Some of our partners were Food For Life in South Africa, Winer Tafel in Austria, Starikam.org in Russia, Lar Criança Feliz de Cotia in Brazil, the Thai Red Cross Society in Thailand, and Share My Meals in the United States.

Education is essential to alleviating poverty and transforming communities. How is the Foundation contributing to educational projects?

We have two major education projects. The Firmenich School in the village of Débouchette, Haiti, and a farming training center for young adults in Madagascar. Our Madagascar project is described in detail in this chapter under responsible sourcing and human rights, so let me tell you more about Haiti.

We built the Débouchette School in partnership with Digicel in 2011. Building a physical school, even in a difficult location, is much easier than maintaining an inclusive education service for the community

over the years. In the past decade, we made sure the school would be recognized by the Haitian Ministry of Education. We also went beyond teaching, taking a global approach to children's wellbeing, including access to food, water and sanitation and health services. This past year we continued to support the school. In April 2020, before the school temporarily closed due to COVID-19, we organized for the students and staff an awareness day on COVID-19 and what precautionary and preventative health measures they could take to better protect themselves. We distributed nearly **1,200 washable face masks** (produced by a Haitian company and meeting WHO recommendations), soaps and posters. In addition, a further **400 washable masks** were donated to two farmer cooperatives in the region. We recently approved new investments to maintain and enhance the school property, which has become an increasingly critical community resource much beyond its initial focus on education.



This year the Foundation supported Indigenous communities in Amazonia. Can you tell us more?

The Foundation has a long-standing partnership with the Rainforest Fund. With support from Rainforest Fund and Firmenich Charitable Foundation, Amazon Frontlines and Ceibo Alliance have been working together with Sinangoe's land patrol to use cutting-edge software developed hand-in-hand with the community and Digital Democracy to create a living territorial map that will serve as the backbone for their land claims. In 2020, Sinangoe's land patrol made important headway on the mapping process. With the help of the Amazon Frontlines team, the community conducted remote fieldwork, using mobile technologies and ancestral knowledge to record unique information about the importance of, and their connection to, their land. While this year presented never-before-imagined obstacles, our partners' agility and relationships with Indigenous communities allowed us to address the challenges of the COVID-19 crisis in the Amazon head on. Together, we overcame obstacles to make significant headway towards the project mission to empower the Amazon's ancestral Indigenous guardians to protect their rainforest home.

Firmenich School in Débouchette, Haiti.

The Foundation has been active for over a decade now. What have we learned?

We have three main learnings that we have integrated into the Foundation's new strategy that launched on July 1, 2021:

- > Philanthropy is reinforcing employees' engagement and requires an inclusive approach
- > Be bold, measure and track impact
- > Partnerships are critical to amplify impact

Employees' engagement: When I first took up my responsibilities with the Foundation, it was mostly managed by a few individuals and intentionally kept a low profile. However, it became clear that if we wanted to amplify the good the Foundation sought to accomplish, we needed many more people to join its cause. We switched gears and became more inclusive. We broadened our board to include members from outside the United States, and we established a new Operations Committee comprised of like-minded team members with a passion to do good. We also opened the doors by inviting team members from anywhere in the world to suggest projects to the Foundation and lead them. Today, Firmenich colleagues globally are identifying local projects that they would like to support. We see team members pitch their ideas and then execute them locally. This team member-centered approach deeply and uniquely connects the team members' own purpose with the purpose of the Foundation. Today, I am thrilled to see that the majority of our projects come directly from proposals submitted by our colleagues.

Nudging boldness and measuring impact: Historically, the spirit of the Foundation was mostly informal. We learned over the years that it is important to structure specific ambitions, to define our expected impacts transparently and track our beneficiaries. Today, we require impact measurements as part of our reporting. We ask team members pitching proposals to be bold to maximize impact. Many initial proposals are bold. Occasionally, however, we need to encourage boldness. Some of my favorite conversations are when we tell a team member that we will grant even more funding than s/he initially requested on one condition. The condition is that the outcomes must be even more ambitious and bolder than the original proposal. We then define what that means for the project. To date, no team member has ever shied away from the challenge to be bolder. The difference between doing good and doing good boldly is sometimes just one nudge away.

Identify the right partners: In the past decade we have worked with amazing partners that have helped us amplify our outreach and deliver the right programs to communities. We have worked with many NGOs, community associations but also with the Swiss government and like-minded companies. Through the Foundation, we have established meaningful relationships in local communities and worked closely with expert organizations to provide relevant knowledge and skills that the Foundation would not otherwise have. We will continue shaping the work of the Foundation through additional strategic partnerships that bring even more scale to its activities.

How do you see philanthropy contributing to the Firmenich ESG agenda?

While the work of the Foundation has to be fully independent from the Firmenich business, the Foundation is inspired by Firmenich's complementary corporate culture and ESG ambitions. We expect a coherence of purpose and vision.

The Board has recently established our strategic commitments for the years ahead, which are:

Access to health promotion, disease prevention and education

Awareness on climate change, biodiversity and human rights

Amplification and acceleration of successful community programs

Stay tuned as we have set bold targets for the Foundation to achieve by 2030, including funding **400 community projects**. We are enthusiastic and confident about the Foundation's future and remain committed now more than ever to maximize our impact. All are invited and welcome to take part.



Caring about consumers with responsible products

TASTE & BEYOND

The rise in obesity has become a global threat to public health. According to the World Health Organization, obesity has nearly tripled worldwide between 1975 and 2016, with similar growth also occurring in Type 2 Diabetes during the same time. These staggering rates have sounded far-reaching alarms and focused scrutiny on the effects of excess sugar consumption on the population.

As a result, food and beverage companies are experiencing growing public pressure and governmental actions, including financial disincentives like higher taxes on sugary drinks and regulatory limitations. Consumer attitudes are also evolving, with clear demand for less sugar in their diets. Firmenich's COVID-19 Human Insights surveys conducted across **22 markets** with comparable data from **more than 13,000 consumers** found that the #1 health change consumers intended to make in their food & beverage choices in all regions was to reduce their sugar intake.

Facilitating this dietary transformation to reduce sugar consumption requires integrated solutions without sacrificing on taste. That is why we are committed to providing the broadest range of low and no added-sugar products that still check the box for deliciousness. Firmenich is a leader in taste science, flavors and sweet systems, creation and application expertise, all empowered by our technology, our scale and traceability with a meticulous focus on sustainability.



**REDUCE CALORIES FROM SUGAR IN PEOPLE'S DIET UP TO TWO TRILLION
(170% REDUCTION VS 2020)**

Sugar reduction is among our essential innovation programs at Firmenich. Through our focus and investment, we are leading the space with double-digit growth and the most comprehensive, science-based portfolio. Our consumer-centric approach allows us to collaborate closely with our customers to understand their specific challenges. Together, we co-create solutions that balance competing requirements such as taste, cost, label and regulatory factors. This holistic approach allows us to address both functionality through sugar & calorie reduction and help overcome economic barriers to accessibility for the greatest overall public health benefit.

Driven by our purpose to create positive emotions and enhance wellbeing, our ambition is to be #1 in diet transformation and taste and lead the industry in sugar reduction. With our current technologies, we estimate the impact across our sugar reduction business [TasteGEM®, ModulaSense and TastePRINT®] will remove over **440,000 metric tons** of sugar from people's diets, the equivalent of **1.76 trillion calories**. With our commitment to accelerated innovation and our constantly increasing investment in science and technology to reduce sugar naturally, we commit to reaching two trillion calories by 2025.

Based on our actual sales in FY21, we reduced calories from sugar in people's diet up to 1.76 trillion

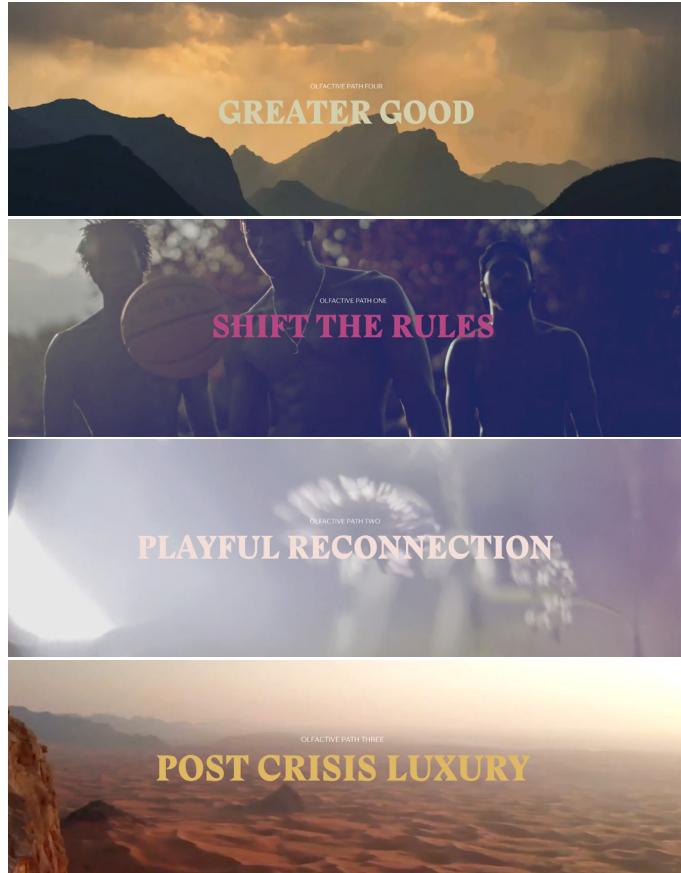
PERFUMERY

MAINTAIN 100% COMPLIANCE WITH IFRA STANDARDS

The application of IFRA standards ensures that our fragrances, which are fundamental components of a wide range of necessary consumer products, are created according to the highest standards of safety. Our Perfumery division is also committed to providing transparency with regard to the ingredients in our fragrances in a way that enables the consumer to make informed decisions.

EMBRACE TRANSPARENCY WITH DISCLOSURE OF INGREDIENTS DOWN TO 900/100PPM

With this in mind, we are also building ways to offer transparency to our customers while protecting our creations. That's why we provide transparently and on request, to our customers the list of the ingredients used, down to **900/100 PPM**. We also disclose the Chemical Abstracts Service (CAS) number and CAS name by alphabetical order. More than **1,700 formulae** have been shared with our customers from 2014 to June 2021 demonstrating that transparency is at the cornerstone of our dialogue with customers



During FY21, as part of our RE|GENERATION movement, our fine fragrance teams leveraged our proprietary sociocultural insights to provide a glimpse into the post-COVID-19 world.

Our perfumers depicted the fragrance landscape of tomorrow and shared with our customers their strongest olfactive convictions and predictions, outlined in four distinct territories and a collection of **24 unique fragrances** that transform consumer attitudes into olfactive directions.

RE|GENERATION BY  for good, naturally



FOCUS

EmotiOn: at the heart of our essential contribution to society

In May 2021, we launched EmotiOn, a program offering customers a new suite of fragrance tools and solutions to co-create emotional scents for products. This unique approach combines our proprietary and global consumer insights, our cutting-edge neuroscientific research and our perfumers' expertise to help our customers deliver positive emotions to consumers.

Now more than ever, olfaction plays an essential role in our lives by transmitting emotions and ultimately influencing purchasing behavior. Our fragrances heighten consumers' positive emotional experiences across many touchpoints. As a multifaceted and modular program, EmotiOn supports our customers in creating perfect product mixes, offering an integrated method to formulate scented products that delight billions of consumers globally with positive emotions.

Our suite of solutions includes several platforms: EmotiClaim™ ensures that a product resonates with consumers. Emoti360™ uses consumer insights to match ingredients and colors with emotional benefits to add value to product design. EmotiCode™ defines

fragrance creation rules for our perfumers to create scents that elicit specific emotions with consumers. EmotiBoost™ is a collection of accords that have positive emotional benefits for three specific categories (hair care, laundry and skin cleansing), covering a wide olfactory spectrum and a variety of emotional claims.

Driven by a purpose to create positive emotions to enhance well-being, naturally, R&D increases our ability to help our clients positively impact the quality of life of our consumers. Firmenich scientists together with key research partners authored peer-reviewed articles related to the measure of emotions elicited by our flavors and fragrances and their impact on brain function. One of them investigated "Sustained effects of pleasant and unpleasant smells on resting state brain activity" and another one reported on the "Validation of new methods of using simulated whole-body movements as implicit indicators of sound and odor preferences".

06

Business for Good



ESG drivers performance overview

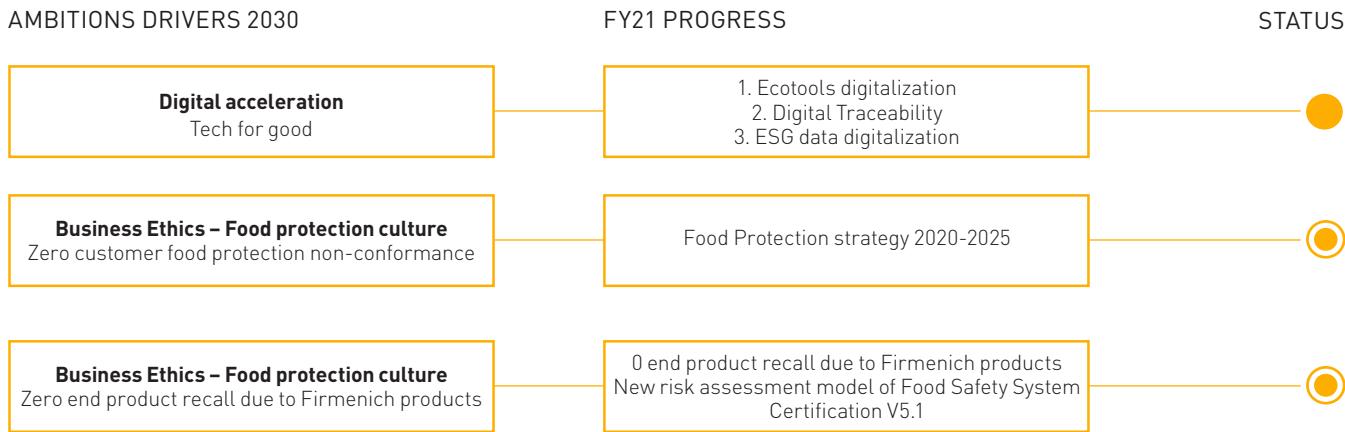
SUPPLIERS → LOCAL COMMUNITIES → EMPLOYEES → CUSTOMERS → AUTHORITIES → PLANET → INVESTORS → SHAREHOLDERS

BELOW ON TRACK ABOVE

Applying the highest international governance standards is a critical part of the Firmenich Pathways to Positive strategy. The Business for Good chapter covers our corporate governance, materiality analysis and Enterprise Risk Management as well as some of our key drivers to reach our ESG Ambitions 2030: digital acceleration, business ethics and integrity, product quality and safety.

We also disclose key information on our responsible Swiss pension fund management.

Aligned with our ESG Goals 2025 and inspired by our 2030 ambitions, the chapter covers all levels of our global value chain, and illustrate our actions towards positive impacts for our colleagues, customers and consumers, investors, shareholders as well as to the collective actions with international and local authorities. Through FY21, we acted to raise the bar on our performance and improve our alignment with GRI and Sustainalytics impact requirements.



Corporate governance

Setting a robust and efficient corporate governance is about ensuring compliance with regulations, as well as enhancing the resilience of the company and sustainable value creation for all stakeholders.

Firmenich applies the highest international governance standards through the Board of Directors led by Patrick Firmenich, Chairman of the Board; and the Executive Committee headed by Gilbert Ghostine, Chief Executive Officer.

The Board of Directors and Executive Committee work together to shape and implement the Group's strategy and ensure its success in the long term. Together, they guide us on our path to creating sustainable value in our everyday activities and as part of our ESG Ambitions 2030.

BOARD OF DIRECTORS

ROLE, STRUCTURE AND COMPOSITION OF THE BOARD

In accordance with Swiss law, the Articles of Incorporation and the Board Regulations, the duties of the Board of Directors include: the overall management of the Company, defining the organization, overseeing risk control, the ultimate supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, organizing the accounting, financial control and financial planning systems, notification of the court in case of insolvency, verification of the qualifications of the auditors and overseeing the management and maintenance of Firmenich's Fundamentals. It sets strategic directions for Firmenich, appoints and oversees the CEO and executive committee, prepares for the Annual Shareholders' meeting (including the Annual Report) and approves major transactions and investments.



From left to right: Mr. Michel Firmenich, Mr. Richard Ridinger, Dr. Antoine Firmenich, Ms. Barbara Kux, Mr. Patrick Firmenich, Ms. Karen Jones Easton CBE, Dr. Ajai Puri, Mr. Pierre Bouchut, Mr. André Pometta
Our Board biographies are available on our [website](#)

The Firmenich Board consists of **nine** members, **five** of whom are independent non-executive Directors and two of whom are women. A Director's mandate is given for a **three**-year term (excluding exceptional circumstances) and may be renewed for up to five consecutive mandates.

Patrick Firmenich, Chairman of the Board, is a family member and non-executive Director. He leads the Board of Directors, ensuring the Company moves forward in its strategy and activities. Each Board member has a unique set of skills, collectively they bring extensive international experience to our company.

Among them, the Board's Vice-Chairman has specific skills related to economic, environmental and social responsibility from previous roles as Chief Sustainability Officer for major manufacturing companies rated highly in the Dow Jones Sustainability Index.

This section covers **GRI 102-22, 102-23** and **102-26** on composition, chair and role of the highest governance body.

NOMINATION OF BOARD MEMBERS

The Board proposes the appointment of new members within the limits set by the Articles of Association, the principles of corporate governance, and any other applicable rules. The shareholders vote on the proposed nominees as part of the Annual General Meeting. For non-family Director candidates, the board proposes individuals whose profiles will ensure the performance of the Group's operations and guarantee the Board's independence of judgment. Conflicts of interest, including cross-board memberships, are avoided and managed by the Governance and Compensation Committee (GCC). The Board evaluates its performance every three years. The latest assessment was conducted by a third-party provider in 2020.

This section covers **GRI 102-24, GRI 102-25**, and **GRI 102-28** related to the nominations, performance evaluation of the highest governance body, and conflicts of interest.

BOARD REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES.

The Chief Executive Officer (CEO) reviews economic, environmental and social responsibility topics as part of the quarterly CEO report to the Board. Oversight of Firmenich's sustainability ambitions and performance is the responsibility of the entire Board and is not delegated to a single Board Committee. In addition, the Board reviews and approves the Firmenich annual Sustainability Report every year in September, providing feedback that is integrated into the final report released in October. This section covers **GRI 102-31** on the review of economic, environment and social topics and **GRI 102-32** related to the highest governance body role in sustainability reporting.

COMMUNICATION ON THE HIGHEST GOVERNANCE BODY

GRI 102-33 Firmenich's robust crisis management framework includes a detailed policy, supporting documentation, guidance for local or global response and training programs. A tailored crisis management course provided by the Swiss Police Academy is available to Geneva-based staff. Training for all other colleagues is conducted in-house through a collaborative program with Ernst & Young. This framework was the subject of a PWC audit in March 2018 and obtained a "satisfactory" rating. It has since been developed and significantly improved upon.

GOVERNANCE AND COMPENSATION COMMITTEE

Every Fiscal Year (FY) the Board of Directors (Board) and its Governance & Compensation Committee (GCC) review Firmenich's overall compensation programs and propose payouts based on the performance of the company.

This section covers the **GRI 102-35** related to remuneration.

This section covers the **GRI 102-36** related to the process for determining remuneration. The Board is responsible for reviewing and approving the design and implementation of the compensation principles, variable compensation and long-term incentive plans, and for the compensation of members of the Executive Committee and Board of Directors. The GCC supports the Board of Directors in performing these duties. The GCC is comprised of four members of the Board.

The Firmenich compensation philosophy is designed to attract, motivate and retain the highest caliber of professional and executive talents.

EXECUTIVE COMMITTEE

The Board delegates day-to-day business management to Senior Executives through the CEO, who is supported in his duties by the Executive Committee (Direction Générale, DG). This is a broad delegation whose tasks encompass ensuring compliance with the Fundamentals, the Code of Business Conduct, and the law, and implementing policies covering a range of issues, including people, safety, and environmental protection. The structure of the Executive Committee addresses **GRI 102-19** related to the delegation of authority for economic, social and environmental topics by the Board of Directors.

The Executive Committee's nine members (including the CEO) are drawn from each of Firmenich's key business divisions and functions: Perfumery, Taste & Beyond, Ingredients, Human Resources, Legal & Compliance, Operations, Research & Development, and Strategy & Global Services. The Executive Team oversees the Group's business operations. To support our Executive Committee, our Senior Leaders, Factory Managers and General Managers each play a role in meeting our sustainability targets.

Illustrating our inclusive and diverse corporate culture, half of our Executive Committee members are women and seven different nationalities are represented.

4 out of 9 Executive Committee members are female and seven different nationalities are represented.



From left to right: Mr. Eric Nicolas, Mr. Benoit Foulland, Ms. Mieke Van de Capelle, Ms. Jane Sinclair, Mr. Gilbert Ghostine, Prof. Geneviève Berger, Ms. Ilaria Resta, Mr. Emmanuel Butstraen, Mr. Boet Brinkgreve

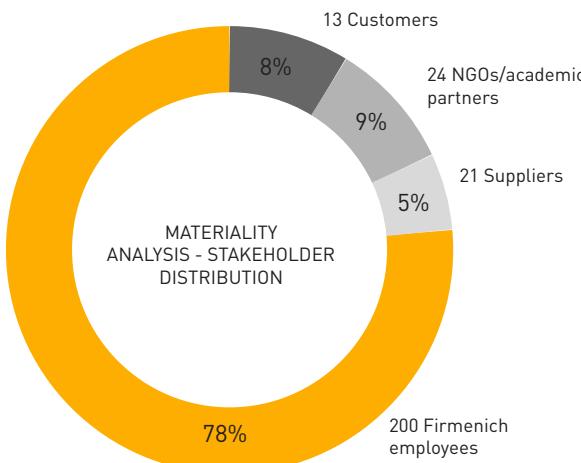
Materiality analysis and Enterprise Risk Management



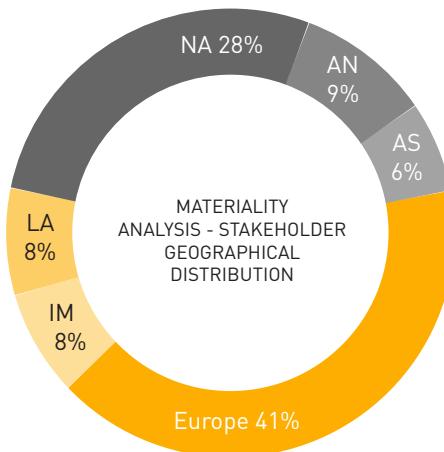
MATERIALITY ANALYSIS

Driven by our vision of inclusive business model and purpose, Firmenich grounds its sustainability ambitions and priorities on a materiality analysis. This approach identifies the economic, environmental and social aspects on which Firmenich has the most impact, and that our stakeholders depend on.

Employees, suppliers, academic partners, NGOs and customers are included in our materiality analysis, as detailed below:



To better identify corporate and local topics, we have included stakeholders from all regions, as shown in the graphic below:



Our materiality assessment allows us to identify the most important sustainability risks and opportunities for our business through two lenses: the importance of these risks and opportunities for our stakeholders; and their impact on our business.

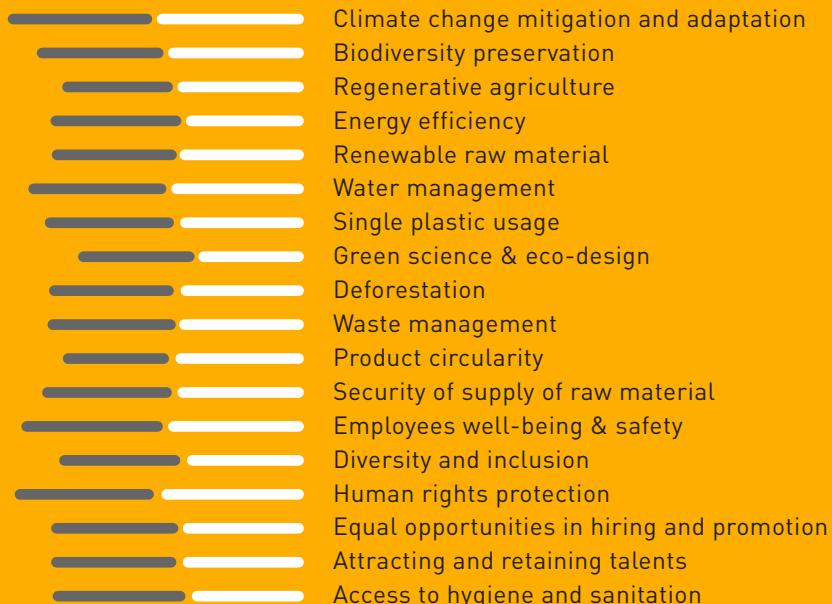
This analysis guides our strategy, our ESG goals and communications with our stakeholders. Moreover, this tool is of the utmost value engaging our colleagues and key stakeholders in our sustainability journey.

We crosscheck our materiality analysis with the Sustainability Accounting Standards Board (SASB) Materiality Map® list of material aspects and prioritization criteria and disclose information on all the dimensions and general issue categories listed in the SASB Chemicals Sustainability Accounting Standard.

Impact and importance of high materiality topics

The results of this materiality analysis are detailed below
(relating to GRI 102-47 on materiality topics - date: May 2020):

IMPACT ON FIRMENICH BUSINESS
 IMPORTANCE TO STAKEHOLDERS



ENTERPRISE RISK MANAGEMENT

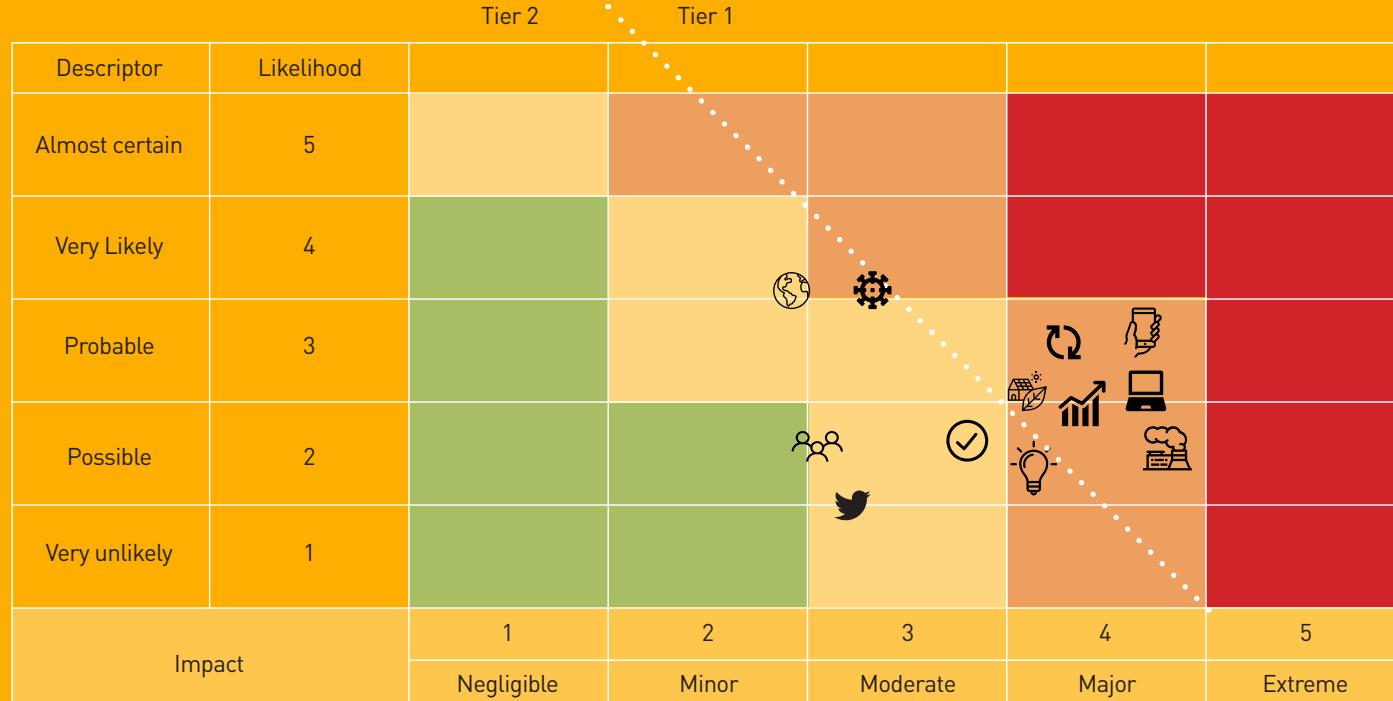
Our governance is backed by a robust Enterprise Risk Management (ERM) process, an essential feature of our sustainability strategy.

ERM ensures we adequately protect the Company while allowing us to take a calculated level of risk in running our business. It covers all risk categories, including social and environmental issues.

Our approach seeks to identify, assess, mitigate, and report corporate risks that could impact the execution of Firmenich's strategy and its long-term business success.

We complete a Corporate risk assessment every two years and follow up on the emergence of new risks throughout the two-year cycle, to revise the Corporate Risk list as needed.

The Finance, Audit & Risk Committee of Firmenich's Board of Directors (FARC) oversees the Company's strategic approach to risk management. The FARC reviews, at minimum annually, the top corporate risks and mitigation strategies. It assists the Board of Directors in fulfilling its oversight responsibilities related to risk management, as stated in the Regulations of the Board of Directors. The FARC approves ERM governance and methodology, reviews and assesses the effectiveness of the Company's enterprise-wide risk assessment processes, and recommends improvements where appropriate. This section covers the **GRI 102-30** requirements on risk management.



Business Model Reinvention



COVID-19 Through & Beyond



Acquisition Integration



Cyber Security



Talent



Digital Transformation



Responsible Products



Geopolitics



Social Media



Production Continuity



Law & Regulation Compliance



Competition & Market Evolution

Other impacts to think of when identifying and rating risks:

Reputational impact

Compliance impact

Operational impact

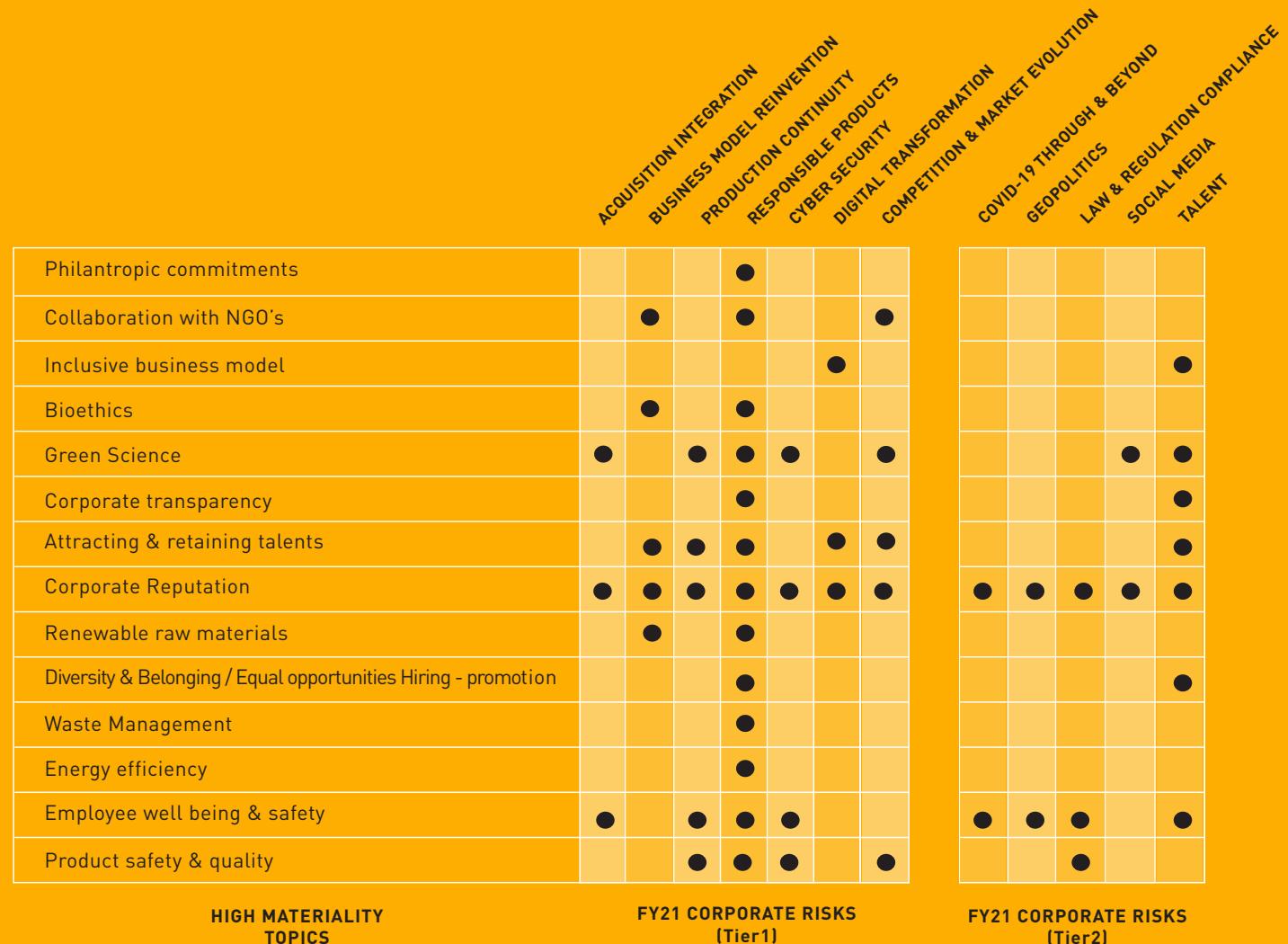
Environmental impact.

Top corporate risks are split into Tier 1 and Tier 2 based on their likelihood and impact. Tier 1 includes the most critical risks, for which mitigation and monitoring is led by the Risk Committee; Tier 2 risks are mitigated and monitored by the divisions.

MATERIALITY ANALYSIS AND ENTERPRISE RISK MANAGEMENT ALIGNMENT

To ensure we integrate ESG risks into our ERM analysis and align our risk management approach and ESG Management, we conducted a consistency analysis of our Enterprise Risk Management and materiality analysis.

As per **GRI 102-15** related to key risks, the following chart presents our corporate risks identified in 2021 and how they align with the materiality topics that Firmenich has a high ability to influence.



Business ethics and integrity

Promoting a culture of ethics and business integrity is essential to Firmenich's way of doing business. We design our processes to communicate our values, counter corruption and ultimately promote peaceful and inclusive societies. We hold ourselves accountable to the highest ethical standards and operate every day with honesty, fairness and integrity.

We also engage all our colleagues and suppliers on our Code of Ethics and related policies. Our objective is to provide our colleagues with all the information necessary to allow them to take the right decisions and further advance the highest standards of ethical behavior in our day-to-day activities. Our policies and procedures present clear expectations for our employees and our business partners.

As part of this goal, we raised the bar on our business integrity and ethics approach in 2021 through the following efforts.

THE CREATION OF A CODE OF ETHICS GUIDE FOR MANAGERS

This handy and practical guide is targeted at all managers and includes tools and suggestions to help managers demonstrate ethical leadership and inspire others to follow their example.

Following a full revamp of our Code of Ethics last year, we launched a training program to update employees as well as the Board of Directors on the principles of the Code of Ethics. Applied across all divisions, it is designed to encourage company-wide compliance. Since its launch in October 2020, **96,4%** of Firmenich employees have completed the course. This training is also part of the onboarding process for new recruits. We also launched a simplified, more accessible and user-friendly conflict of Interest procedure to further reinforce our fight against corruption and ensure transparency and a proper level of controls. This section addresses **GRI 102-16** related to values, principles, standards and norms of behavior and **GRI 102-17** on the mechanisms for advice and concerns about ethics.

Following our FY21 Sustainalytics assessment, we enhanced our business integrity and ethics management by disclosing more details in the operation of our hotline. In FY21 we received **39** cases through the hotline. They have all been reviewed, followed-up and investigated as needed. Of these, **32** cases have been closed and five were substantiated. Actions taken include training improvements and coaching. To raise awareness with regards to our speak up channels, we prepared a new global hotline training (covering **GRI 205-03** regarding communication and training on anti-corruption policies and procedures). Since June 2021, our hotline is accessible through our website.

Fighting corruption is one of our key priorities, in line with principle **10** of the United Nations Global Compact to proactively combat all forms of corruption.



39

Number of cases received (FY21)



32

Number of cases closed



6

Number of cases substantiated

Fighting corruption

WE EXTENDED OUR ANTI-CORRUPTION TRAINING TO THE BOARD THIS YEAR. BY THE END OF FY21, **82.3%** EMPLOYEES AND ALL BOARD OF DIRECTORS MEMBERS WILL HAVE COMPLETED THE COURSE

WE SENT A HOLIDAY SEASON COMMUNICATION ON GIFTS AND ENTERTAINMENT AS A JUST-IN-TIME REMINDER OF OUR POLICIES

WE LAUNCHED A NEW DONATION AND SPONSORSHIP PROCEDURE TO TRACK AND BETTER MONITOR THESE ACTIVITIES

WE CAN ALSO REPORT THAT NO CONFIRMED INCIDENTS OF CORRUPTION HAVE BEEN IDENTIFIED AT FIRMENICH, IN LINE WITH GRI **205-03** RELATED TO CORRUPTION INCIDENTS

During FY21, we implemented robust measures

Product safety, quality and transparency

At Firmenich, product quality and safety is essential to everything we do. Our objective is to provide our customers with products that fully correspond to the highest quality and safety standards.

From the ingredients we source to the fragrances and flavors we produce; product quality and safety are top priorities for us. We are committed to leading in customer satisfaction and achieving strong performance in product quality and compliance, food safety and service.

Product safety and quality are now embedded in our ESG strategy. We have defined strong targets related to safety, quality and transparency under the framework of our ESG Ambitions 2030.

In our Taste & Beyond business, we are committed to ensuring a strong culture of food protection with zero customer food protection non-conformances and zero product recalls due to a Firmenich product. In Perfumery, we are committed to maintaining **100%** compliance with IFRA standards and disclosing ingredients down to 900/100ppm by 2030.

PRODUCT SAFETY AND TRANSPARENCY

Firmenich is firmly focused on creating positive emotions to enhance wellbeing, naturally. We believe that consumers have a right to assume that the product they buy meets the highest levels of safety. This governs our ambition to lead in customer satisfaction and drives our performance in product safety.

Product Safety culture is shared values and standards that transform our safety mindset and behaviors to establish a sustainable



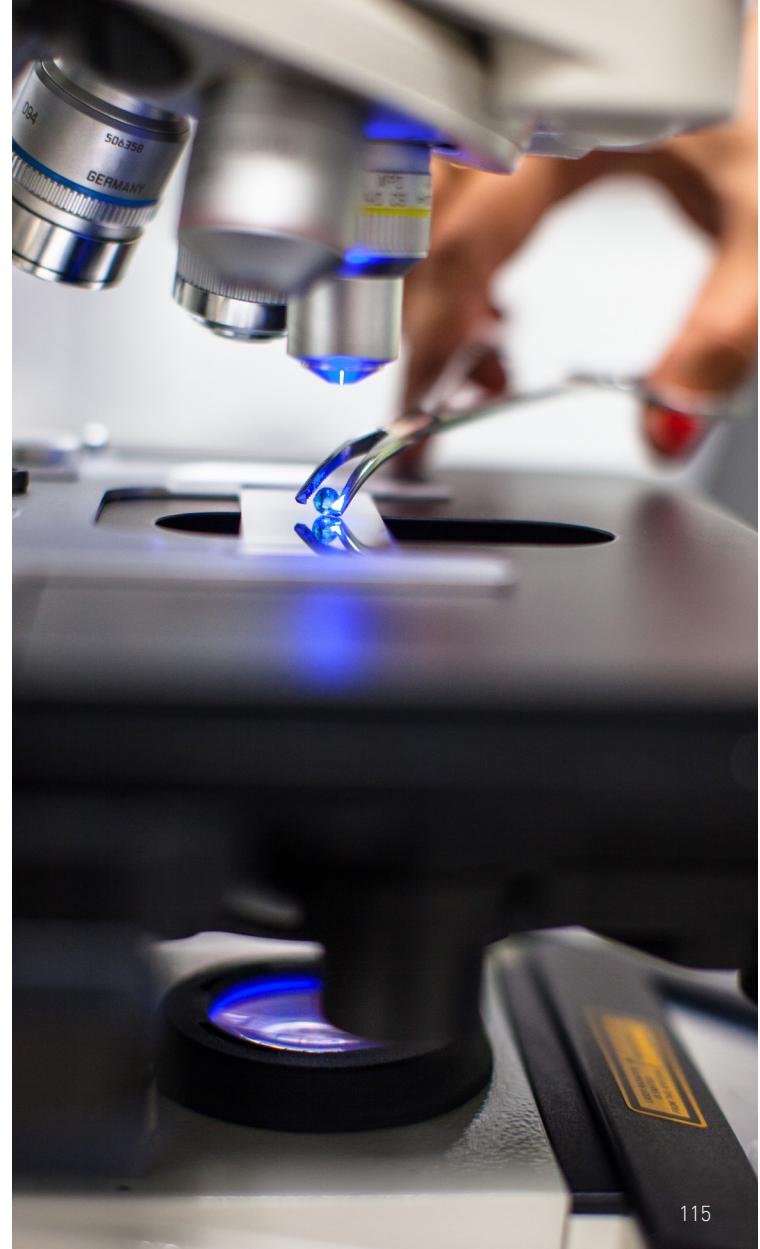
EMBRACE TRANSPARENCY WITH DISCLOSURE
OF INGREDIENTS DOWN TO 900/100PPM

way of prevention and assurance. Our product safety and regulatory experts lead, support, and champion projects that responsibly protect consumers and the environment. At Firmenich, we proactively investigate new approaches, publish and present our results for the scientific community to promote the adoption of more advanced safety tests. We thus engage proactively and transparently to share expertise and build collective understanding of product quality and safety regulations around the world.

Our experts work closely with other companies to continuously improve product safety data and ensure that our products comply with the highest standards.

These collaborations take place through local and global industry associations, such as the International Fragrance Association (IFRA), the Flavor Extract Manufacturing Association (FEMA), the International Organization of the Flavor Industry (IOFI), the Research Institute for Fragrance Materials (RIFM), and the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC). We have listed these strategic memberships in chapter 2 under **GRI 102-13**.

One concrete example is our collaboration with IFRA. Firmenich is a key contributor to the development of IFRA standards. Our experts work diligently to implement these standards in advance of IFRA deadlines to provide full visibility of changes made to our customers' fragrances, thereby enabling them to create IFRA-compliant products.



EMERGING TECHNOLOGIES

We recognize that emerging technologies including genetic engineering, stem cell research and nanotechnologies may pose risks to society and the environment. We do not engage in controversial practices that involve them. We have a policy in place to ensure a safe use and to comply with all relevant legal and labelling requirements including number and CAS name by alphabetical order. More than **1,700** formulae have been shared with our customers from 2014 and June 2021 demonstrating that transparency is at the cornerstone of our dialogue with customers.

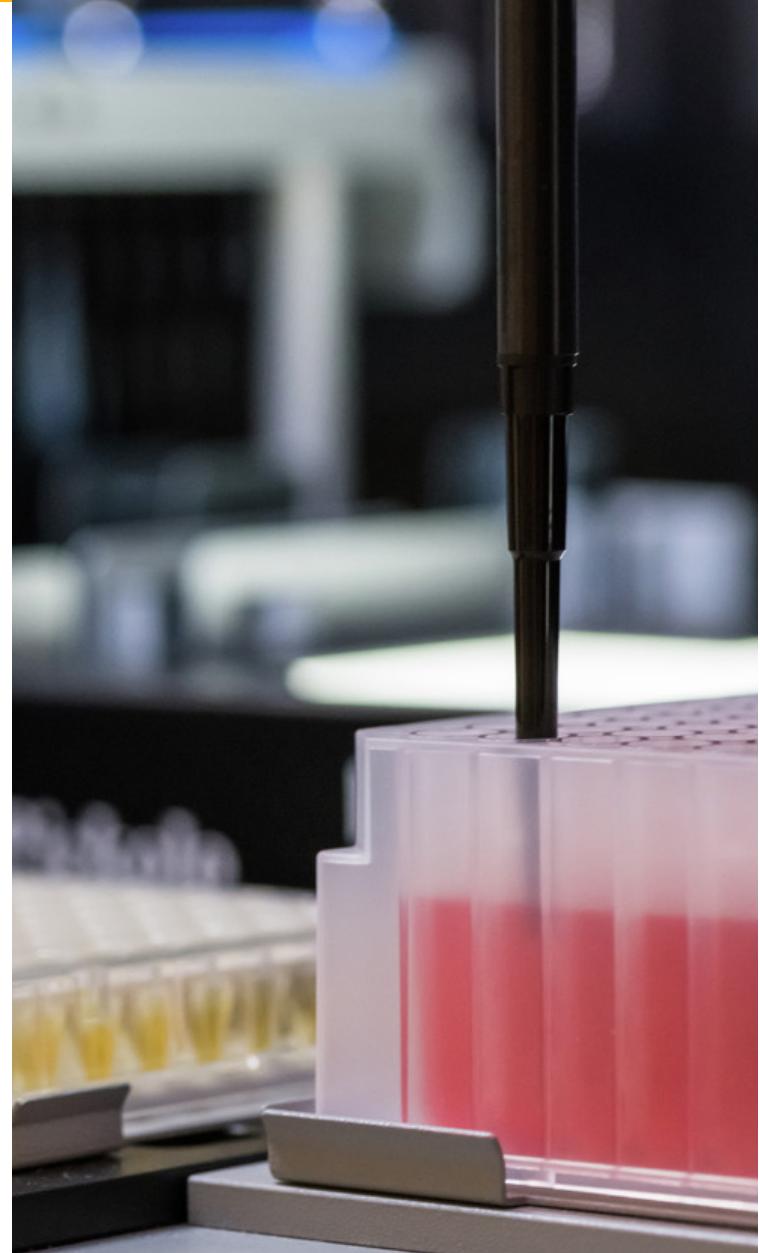
100%
of our products and service
categories are assessed
for improvement
on health and safety
“criteria”

RESEARCH & DEVELOPMENT AND PRODUCT SAFETY

Our R&D and Legal & Compliance teams are working together to continuously invest in new processes and increase available data needed to ensure the safety of consumers, environment, animals, and the compliance of our products.

In FY21, we implemented concrete and robust projects on product safety, for instance:

- › We developed a collaborative research project with Denmark's National Research Center for the Working Environment on a cell-free lung surfactant bioassay
- › We designed a novel analytical tool to provide exposure information to support the development of bespoke fragrances that are safe for the perfuming of face masks
- › We co-authored the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC) Guidance on Dose Selection that, through careful choice of dosing, provides a scientifically robust approach to minimizing animal suffering during toxicological studies carried out for regulatory purposes
- › As part of our commitment to the development of alternative methods in environmental sciences, we completed and extended research program with the Swiss Federal Institute of Aquatic Science and Technology (EAWAG) and the Centre for Fish and Wildlife Health from University of Bern. This year's publication, the last of a series of four, brings this collaboration to a close and covers the use of *in vitro* biotransformation for assessment of environmental accumulation
- › Going a step further in ensuring the regulatory compliance of our ingredients, we continued the roll-out of our bespoke tool for tracking tonnages and regulatory conformity in all relevant countries around the world



Portrait of Christina Hickey, our Global Regulatory Service Senior Toxicologist (USA)



Christina heads our actions in developing new methods to ensure consumer safety while reducing the need for animal testing for regulatory compliance. She leads our collaboration with the Humane Society International (HSI), which promotes a ban on animal testing for cosmetic safety assessments in major markets by 2023 and pushes for greater use of non-animal methods for chemical regulations worldwide. Christina presented our work with HSI at the 11th World Congress on Alternatives and Animal Use in the Life Sciences (WC11) in August 2021.

ANIMAL TESTING

In line with Sustainalytics disclosure requirements on animal testing, we confirm our full commitment to the development and application of cruelty-free methods in toxicological safety assessments. We are active participants and members of organizations that are committed solely to the development and promotion of non-animal approaches. We thus became the first company in our industry to collaborate with the Humane Society International (HSI) Animal Free Safety Assessment Collaboration. The focus of our long-term toxicology and ecotoxicology research projects is to promote the replacement of animal testing by developing alternative or non-animal evaluation (risk assessment) methods.

Following **GRI 416-1** on safety, **100%** of our products and service categories are assessed for improvement on health and safety criteria.

PRODUCT QUALITY - ASSURANCE, GOVERNANCE AND CULTURE

QUALITY ASSURANCE, GOVERNANCE AND CULTURE

Prevention controls and a continuous improvement philosophy guide our operations across all our manufacturing centers. Our robust quality governance protects Firmenich through the implementation of Corporate QHSE Principles & Quality Codes at site level.



ZERO CUSTOMER FOOD PROTECTION NON-CONFORMANCE

Performance and compliance are ensured through training and awareness, tracking key indicators, monitoring, enforcing, assessing risk and capabilities. We always seek to raise our standards and continue to foster a strong culture of quality food protection in recognition of good stewardship and in fulfillment of our Corporate Legal & Compliance Strategy.

As part of our commitment to maintain a strong culture of food protection, we successfully closed our 2015-2020 Food Protection (FP) strategic cycle and launched our new food protection strategy 2020-2025. It covers food safety, food defense and food fraud mitigation across all our food ingredient and flavors manufacturing sites.

We conducted global food protection workshops on ethics; security and food defense; and food safety and food fraud culture. Six sites took part in the workshop's Food Protection Culture Transformation. **17** projects in Food Protection Culture transformation have been achieved since 2018. We also presented our Food Protection Culture Transformation at the Food Defense Consortium.

Firmenich's achievements in food protection were recognized by the audience of the Food Safety Consortium organized by Food Safety Tech Magazine. In addition, we launched a global project to meet the new requirements for food safety culture and the new risk assessment model of Food Safety System Certification V5.1.

OPERATIONAL EXCELLENCE

At Firmenich, every day, we strive for industrial and operational excellence. Excellence in quality is rigorously applied throughout our entire operations. In FY21, we emphasized quality in new product design, and our quality teams participated in workshops discussing challenges we face in prevention strategies for new ingredient technologies.

In addition, plant performance continues to improve on a “right first time” manufacturing basis as corrective actions continue to be leveraged throughout the Group in the prevention of repetitive issues. We have developed a new lead indicator at shop-floor level known as the In-Process Quality Index (IPQI) where production personnel capture near misses during batch manufacturing. This is both expedient and cost effective as such errors are quickly corrected and service to our customers is maintained.

In keeping with our Quality 4.0 efforts, we completed a successful pilot test in the quality laboratory digitalization and connectivity arena and are now planning to implement other enhancements, including the use of analyst computer tablets to replace paper worksheets, Laboratory Information Management System (LIMS) reports and manual worklists, which will minimize human error and speed up lab sample processing.

Experts are continually added to the quality community of interest to perform effective root cause investigations through the in-house training and certification of lead investigators.

As newly acquired companies join the Firmenich family, major quality integration processes are being implemented. Key milestones were completed during FY21. One of these harmonized programs, **Smart-Maint software**, was successfully launched in all quality control laboratories. It registers capital QC equipment, tracks calibration status, and includes preventive maintenance schedules. These improvements allow us to continue to operate state-of-the-art instrumentation while replacing aging equipment before failure.

PARTNERING WITH CUSTOMERS

One of the unique aspects of the Quality Service Excellence program is its recognition and focus on the customer experience. Quality subject matter experts work closely with their quality counterparts at our customers’ operations in what we call a Q2Q (Quality-to-Quality) relationship.

We strongly believe it is necessary to work on mutually beneficial projects (e.g. specifications optimization, digitalization, etc.) to enhance our performance. These projects are not only useful for failure prevention, but also to improve customer relations and contribute to smooth uninterrupted operations.

ROBUST FY21 PERFORMANCE

Our actions on culture and operational excellence have consistently given strong results. We reached zero end-product recalls, zero consumers impacted and zero customer food safety issues related to Firmenich products in the last seven years. In addition, FSSC certifications were achieved at all flavor sites without any major issues. Finally, we celebrated the third World Health Organization Global Food Safety Day in June 2021.



2030 AMBITIONS: ZERO END PRODUCT RECALL
DUE TO FIRMENICH PRODUCTS



- > END PRODUCT RECALLS
- > CONSUMERS IMPACTED
- > CUSTOMER FOOD SAFETY ISSUES



CERTIFICATION
AT ALL RELEVANT SITES



WORLD HEALTH ORGANIZATION
GLOBAL FOOD SAFETY DAY



IN CAPITAL INVESTED
IN QUALITY



SALES ORDERS DELIVERED
DEFECT-FREE PRODUCT

Responsible investment Swiss pension fund

In line with our ESG ambitions, a responsible investment strategy was designed and implemented by our pension fund in Switzerland, which covers more than **2,000** members and manages **CHF 1,035** million in assets (as of 12.30.2020). This approach will ensure that our ESG criteria are reflected in our pension fund strategy. ESG goals are seen to mitigate risk and influence long-term financial performance.

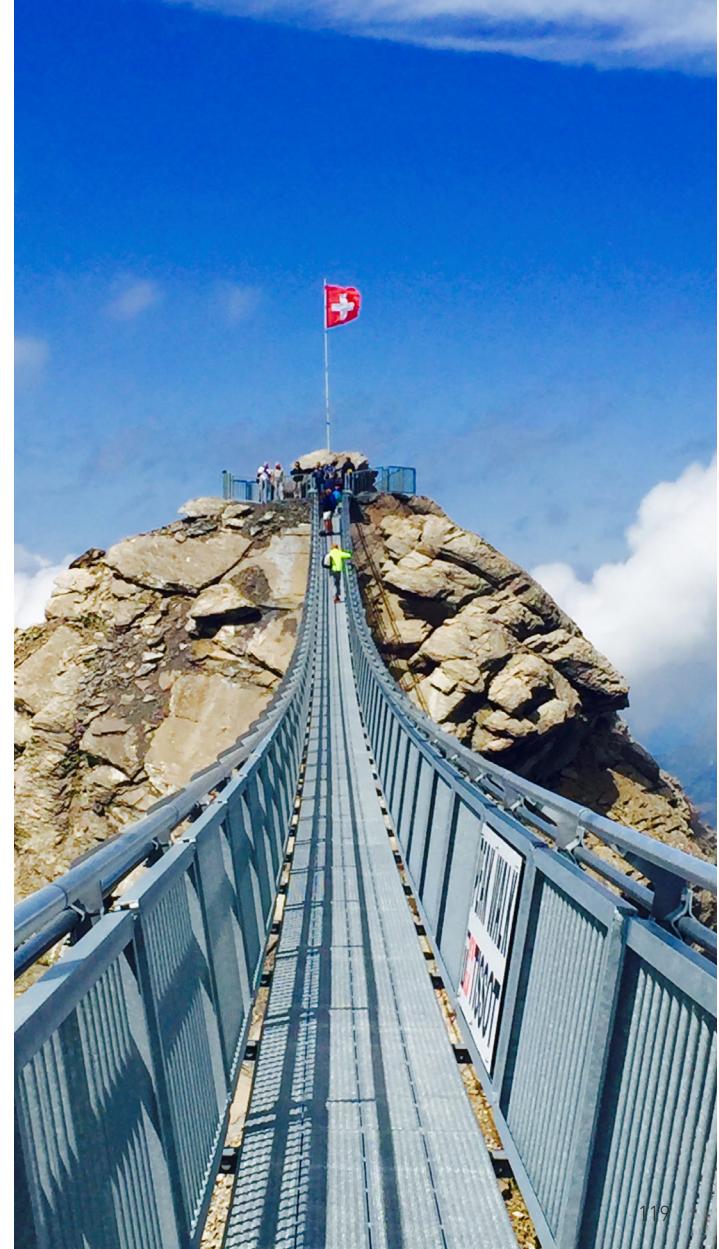
The implementation of this strategy is a journey, built on four main pillars:

- › The exclusion of controversial sectors, specifically: unconventional weaponry sector is strictly excluded; tobacco, pornography, gambling, coal and unconventional extraction of fossil fuels sectors are excluded with a tolerance of **5%** of revenue
- › The integration of ESG factors in investment selection, to combine financial performance with sustainability
- › The development of impact investing in private and public markets to achieve, firstly, a direct environmental and/or social impact; and secondly, a neutral or positive financial return compared with a standard equivalent investment
- › The sustainable management of its real estate portfolio
- › In addition, our Swiss Pension Fund is committed to reducing

greenhouse gas emissions generated by the companies in which it invests and measuring positive and negative climate-related impacts.

- › Following its first audit in 2020, the Swiss Pension Fund has identified areas of continuous improvements including:
- › Re-allocation of investments in public market where ESG data and tracking records are available
- › Selection of an ESG fund for the “international equity” asset class, which consequently increases the ESG ratings for **25%** of the portfolio by excluding controversial businesses and reducing fossil fuel-based energies
- › Identification of impact investing opportunities in the private market portfolio
- › Improvement of energy efficiency in our Direct Real Estate portfolio, establishing a partnership with Geneva Energy department (SIG: Services Industriels de Genève) to optimize energy consumption

In June 2021, the Swiss Pension Fund published its first Responsible Investment Report for its members and internal stakeholders to communicate transparently on the implementation of the principles set out in this strategy and its achievements.



Our ESG related policies and corporate statements

Doing business, the right way is essential for Firmenich. We have thus defined a robust set of policies. These are a part of the framework that allows each Firmenich colleague to achieve individual and collective success. It is our set of rules, for all of us, Firmenich employees.

As transparency with our stakeholders is a cornerstone of our ESG ambitions, the following policies are disclosed on our website and in this ESG report:

OUR ESG RELATED POLICIES

- [Code of Ethics](#)
- [Cookies Management](#)
- [Corporate Anti-Corruption Policy](#)
- [Corporate Policy on Communities](#)
- [Corporate Diversity and Belonging Policy](#)
- [Corporate Occupational Health and Safety Policy](#)
- [Corporate Quality and Product Safety Policy](#)
- [Gifts and Entertainment Policy](#)
- [Global Environmental Policy](#)
- [Green Procurement Policy](#)
- [Human Rights Policy](#)
- [Privacy Policy](#)
- [Responsible Sourcing Policy](#)
- [Supplier Expectations Manual](#)

OUR ESG RELATED STATEMENTS

- [Position statement on biodiversity](#)
- [Conflict Minerals Statement](#)
- [Modern Slavery Statement](#)
- [Position Statement on palm oil](#)

For more information, please visit
<https://www.firmenich.com/>

07

Our Executives' Views on ESG Integration





Impactful science by Prof. Dr Geneviève Berger

Geneviève, you have been our Chief Research Officer through FY21. What is the role of Science in Firmenich ESG ambitions?

The strength of our R&D programs lies in their ability to discover, develop and help bring to market products, ingredients and technologies that are designed to maximize benefits for people and minimize the impact on the environment, while meeting and anticipating the needs of the conscious consumers. Our science is shaping the future of taste and fragrance through solutions that are sustainable and foster wellness.

What is the engagement of the Firmenich scientific community in our Pathways to Positive?

Our teams of researchers from around the world share a passion for providing concrete solutions, and leverage the best of green chemistry, biotechnology, cellular biology, materials science, analytical chemistry, cognitive sciences and digital tools to achieve this. Our scientists are also united in their commitment to sustainable science. This multidisciplinary approach inspires them to develop holistic solutions that are essential to reinforce sustainability in our industry.

Would you say our scientists, inspired by our ESG ambitions, are redesigning the future of fragrance and taste?

Certainly, this is our mission. Our chemists, biologists, materials scientists and researchers in many other fields have produced groundbreaking discoveries that continue to shape the fragrance and flavor industry. They are exploring molecules, investigating the fundamental mechanisms of human perception and unraveling the secrets of nature. We focus on sustainable and best-in-class innovation to create exciting new products, ingredients and technologies.

Sarah Reisinger became Chief Research Officer on July 1, 2021, with a commitment to lead us through new frontiers of scientific excellence, embrace new technology for our fast-changing world, and build on our legacy of industry-leading innovation. Previously

Firmenich Senior VP Research Operations, Dr Reisinger values our R&D team's multidisciplinary and global approach as immense assets to deliver breakthrough sustainable solutions for our customers.

Sarah combines a unique blend of world-class experience in the management of R&D, both in start-up as well as larger organizational structures, with a strong background in biotechnology, augmented discovery and open innovation. Prior to joining Firmenich in 2018 as VP Biotechnology and Process Engineering, she held pivotal roles at Ginkgo Bioworks,

Intrexon and Amyris, after starting her career in the field of biology and cancer therapeutics. Dr. Reisinger holds a B.S. in Biology from Harvey Mudd College, US, as well as an M.S. in Plant Biology and a Ph.D. in Microbiology from the University of California, Berkeley.



What is the link between Science and Nature?

Science and nature are intricately intertwined, and that's why our scientists are so dedicated to sustainability. First of all, we are all excited about the vast opportunities that open up when science sheds more light on the workings of nature in all its diversity.

Secondly, we seek to protect the environment from the very outset of our innovation. It's both challenging and immensely motivating. From the moment a plant biologist or an analytical chemist is inspired by a plant, our scientists are actively seeking to understand and embrace nature.

In designing ingredients and technologies, the principles of green chemistry play a key role, including favorable biodegradation properties. Leveraging sustainable and renewable feedstocks, our biotechnologists harness processes that mimic nature and, along with synthetic chemists, are increasing bio-sourced carbon content in our molecules. And, when these discoveries are ready for scale-up, process engineers develop ways of manufacturing them that reduce waste generation, maximize the efficient use of resources and minimize energy use.

Our ESG ambitions include Caring about People, can Firmenich R&D also contribute to better lives?

It's about quality of life. One facet of our exploration of the frontiers of science is about protecting the planet we live in. The other facet is improving people's lives.

By decoding the fine workings of smell and taste, and understanding how aromas, tastes and fragrances are interpreted by the human senses, our R&D teams are contributing to healthier diets and wellbeing. SmartProteins® allow the creation of vegetarian and vegan-friendly alternatives to meat- and

dairy-based products without compromising on taste. Equally, by developing new flavor ingredients, our research is enabling sugar reduction in food or beverage products, or lowering salt levels without compromising on taste and consumer delight.

As innovators in the science of the senses since 1895, we also examine the way scents and tastes elicit positive human emotions such as happiness, relaxation and excitement that contribute to wellbeing. As a result, today we can shape emotive products that delight consumers. Furthermore, more than 15 years of research on hygiene and the antibacterial properties of essential oils and plant extracts has led to exciting developments in benefits for consumer fragrance products.

Geneviève, can you tell us a few words on the evolution of your role at Firmenich?

With great pleasure. I joined Firmenich in 2015 and it has been a wonderful experience. During these years, leveraging the multidisciplinary capabilities of our R&D, we championed white biotechnology, broadened the scope of our research and reinforced our global footprint in science with a new R&D center. We also worked on targeted acquisitions and were the first to market with AI-generated solutions in taste and fragrance. On July 1, 2021, Dr Sarah Reisinger will succeed me in leading the Firmenich research organization and guide our science to the next level in this exciting new era for sustainability. I will be staying on as a Strategic Advisor to the CEO, before my retirement from the Group on December 31, 2021.



Renewable ingredients by Boet Brinkgreve

Boet, as the Ingredients division President, would you say FY21 was a historical year for your business? Can you describe the ingredient revolution you are driving?

Despite the very challenging COVID-19 context, we were able to make a step change in performance. The Ingredients Division was established in June 2020 as a new dedicated end-to-end activity. At the same time, we have been focused on the integration of DRT, the largest acquisition in the Group's history, which was completed in May 2020. We have been working relentlessly to drive business continuity, satisfy our customers, integrate new markets, and, in parallel, define our vision and evolve the way we work with our new ESG ambitions.

How have our new ESG ambitions impacted our renewable ingredients, and do you believe they can contribute to redefining the future of ingredients?

To minimize our impact and contribute to mitigating climate change, we must act now by building on decades of Firmenich experience with responsible innovation and investments. Our goal to become carbon neutral across all our operations by 2025 and carbon positive beyond that date is non-negotiable if we want our Group to grow responsibly and if we want to keep our historical leadership in ingredients. With our four innovation platforms [Sylvergreen™, Green Gate, Active Circle™ and Naturals Together™], we are well on track to redefining the future of ingredients.

This report does not cover DRT yet as its integration is ongoing, but can you tell us how DRT will shape Ingredients' Pathways to Positive?

DRT further strengthens our leadership in renewable ingredients. It contributes to our Sylvergreen™ platform to deliver **70%** of our flavor and fragrance ingredients manufactured from renewable carbon sources by 2030. DRT also brings new capabilities to the Active Circle™ platform with products made from bio-based and upcycled materials for health and beauty, nutrition and industry. For example, in nutrition, we now offer **100%** bio-based and renewable wood rosin resins, which are used as stability agents in beverages.

Caring about People is essential to the Group's strategy. How does your division address social impact?

We care about our employees, whether they work at production sites, offices or from home. I can say that people safety has been my personal obsession for years, and our employees strive every day to ensure everyone's safety in the workplace. At the same time, in safety, we must remain humble and focused on commitment, leadership, discipline and care. We also care about the communities in which we operate. As part of our Naturals Together™ platform, we co-develop programs with our suppliers to support local communities through education, health and livelihood, women empowerment and biodiversity protection. Our most recent project this year is a partnership with Authentic Products in Madagascar. Together, we work on natural ingredients, responsible sourcing and we have made an ambitious investment in an agricultural training facility to offer teenagers from Madagascan vanilla-growing families a unique opportunity to improve their livelihoods.



Diet transformation by Emmanuel Butstraen

Emmanuel, you are the President of the Taste & Beyond division. This year, you instigated a major consultation process to define a new name for your division. Can you share with us the rationale behind Taste & Beyond?

Taste & Beyond perfectly embodies our strategy to strengthen our taste foundations. It captures who we are and the infinite nature of our capabilities. Taste is in our DNA and it is the essence of what we have mastered as a family company for more than 125 years. Our team of passionate creators constantly innovates to create memorable taste experiences for consumers. Beyond represents our transformation going beyond flavors, very much focused on Diet transformation with very clear targets.

How is this new name also a reflection of a deeper transformation within the Company's ESG and diet transformation ambitions?

We are, without a doubt, in the midst of a rapid transformation in diets as consumers shift to more sustainable, healthier, nutritional or more natural ingredients. This is a deep transformation of the food industry globally. "Beyond" expresses for Firmenich our commitment to lead the industry in sustainability through our ESG targets and our ambition to participate by all possible means to the global **Diet Transformation**. Our **3** main targets are to move our Taste portfolio into **100%** sustainable, natural ingredients & clean label solutions; to serve the global **flexitarian** consumer with best tasting and most innovative analogs; and lastly to offer consumers better **nutrition** with our sugar & salt reduction portfolio or our solutions to improve microbiome. These targets are in

full alignment with our sustainability ambitions on climate, nature and people.

As a concrete example, for many years, Firmenich is leading innovation in sugar reduction to offer better nutrition to consumers through our customers. In 2011, Firmenich revolutionized the food and beverage industry with the launch of TasteGEM®, a breakthrough innovation to reduce sugar and make healthier foods and beverages taste great. We have since expanded TasteGEM® with new technologies and recently launched TastePRINT®, which has even more ambitious sugar removal targets. We are committed to accelerating the switch to healthier solutions globally by removing **700,000** metric tons of sugar annually from our customers' products by 2030, which represents **2.8** trillion calories per year.

Scientists are proving that diet transformation has the power to reduce yield pressure on soil and to address biodiversity loss. How is Firmenich laying the foundations for the future of food?

We are participating actively into the future of food by promoting the high growth Flexitarian consumer trend with the development of our great-tasting SmartProteins® comprehensive Innovation program that positively impacts climate and nature. SmartProteins® contributes to an increase in the diversity of plant-based proteins being produced with better regenerative agriculture practices and enhance biodiversity. In addition, we are active members of collective projects that support diet transformation such as the Swiss Food and Nutrition Valley, of which Firmenich is a founding member.



Insights on sustainable procurement by Gianluca Colombo

Gianluca, you joined Firmenich in July 2020, and you have given new impetus to the transformation of our responsible procurement strategy. You believe that all procurement must be responsible. Can you explain how you implement this vision?

All our global procurement teams are truly committed to the essential task of creating a responsible and transparent supply chain wherever we operate. Our actions are guided by our Responsible Sourcing Policy. We seek to leverage our relationships with our suppliers to have a positive impact on climate, nature and people.

How do you engage with the thousands of suppliers that Firmenich works with globally to promote a responsible business model?

Our supply chains are very diverse. They include organizations of varying sizes providing a wide array of products and services across many different regions of the world. We seek to build strong supplier engagement at all levels, in conjunction with the scaling up of our monitoring and certification efforts. Ratings and certifications are essential to our responsible practices, but we recognize that transformation and positive change are also the result of field work and collaboration at source. We intend to build on the experience of our recently launched digital traceability tool Path2Farm™ to offer end-to-end traceability.

Firmenich's purchasing power can influence the conversion towards regenerative agriculture practices in our supply chain, which support biodiversity. How else can responsible procurement create positive impacts?

We embrace nature but we also care about people. We are strengthening our human rights due diligence and monitoring across all our supply chains. We plan to raise our suppliers' average score within

the EcoVadis Labor & Human Rights pillar from its current rate of 53 to 60 by 2025. In addition, once we have completed our work on living wages across the Firmenich group, we will share our best practices with partners on specific supply chains and in collaboration with some of our customers who are leading the way on this salient issue.

Within this holistic approach to responsible procurement, how do you engage with your suppliers for continuous improvement to ensure they meet your expectations?

Our sourcing and risk management experts work with suppliers to turn policy into action and build resilience. We have set ambitious goals and encourage and support our suppliers on this ongoing journey towards improvement. With regards to natural ingredients, such as palm oil and palm oil derivatives, we have set rigorous standards for sustainability. We work closely with our natural raw materials suppliers to make sure that the respect for nature and people is guaranteed across our supply chain. We apply Ethical BioTrade and Roundtable on Sustainable Palm Oil (RSPO) principles and continuously monitor that sustainability measures align with our Responsible Sourcing Policy.

In the past years, Firmenich has created a unique naturals suppliers engagement program, an industry first known as Naturals Together™. Tell us about your current efforts under this program.

Naturals Together™ positions us to bring together producers from around the world to share best practices and help us imagine and implement a sustainable future for the next generation of farmers. Our approach is holistic, and we are continually seeking new ways to assist local farming communities through social and environmental projects that support them and allow us to achieve our responsible sourcing targets.



Responsible finance by Benoit Foulland

Benoît, you joined Firmenich as Chief Finance Officer on September 1, 2020. You are also the Secretary of the Finance, Audit & Risk Committee of the Board of Directors. You bring more than 20 years of international executive leadership and finance experience at market-leading technology companies. How do you see your role in our Pathways to Positive and in reaching our ESG ambitions?

First of all, I want to mention just how inspiring I find the Firmenich responsible business model, both personally and professionally. It takes a sweeping view of the future that factors in the expectations of all our stakeholders. Secondly, it is no longer possible to manage risks effectively without addressing climate change, biodiversity loss and social inequalities. Identifying, integrating and mitigating ESG risks as well as spotting opportunities brought about by social change is critical to our future performance. Finally, in my conversations with investors, they increasingly consider our ESG leadership to be essential to our overall performance, and I am very proud of that.

You mention the importance of ESG performance. Is that why you asked that Firmenich engage in its first Sustainalytics rating in 2021?

Absolutely. Historically, Firmenich has proven to have a strong ESG performance track-record with first-class ratings by CDP, triple A three years in a row, and EcoVadis, which rated us as the first Platinum Flavor & Fragrance company with a score of 83/100. The

Sustainalytics risk-based rating offers a complementary performance indicator for investors and customers. We are very proud that we received a leading rating of 8.6, putting us in first place in our industry and in the broader chemical industry. As proud as we are of these results, we are committed to keep improving further.

In June 2021, you signed and committed to the United Nations Global Compact CFO Principles on Integrated Sustainable Development Goals Investments and Finance. You are the first CFO in our industry to do so. Can you explain your rationale?

Firmenich is a signatory of the United Nations Global Compact since 2008, one of only 41 Global Compact LEAD companies. We have been on the Board of the UN Global Compact Network Switzerland for a decade. This means I am building on a strong foundation. Investors and governments alike recognize that companies are uniquely positioned to shape the future of corporate finance and investment as a catalyst for growth, value creation and social impact. As the stewards of trillions of dollars in corporate finance, Chief Financial Officers (CFOs) play a critical role in ensuring that companies' financial strategies align with the Sustainable Development Goals (SDGs). Our ESG strategy is fully grounded in the SDGs. I believe there are significant opportunities to further advance them, not only in the context of risk management but even more importantly by identifying future opportunities and guiding investment decisions in line with our Pathways to Positive.



From COP21 to ocean protection by Eric Nicolas

Eric, in December 2015 you were a speaker at the Global Landscape Forum, the world's largest knowledge-led platform on sustainable and inclusive landscapes. That was a pioneering step for a CFO, to address such an audience. Can you remind us why you were there?

Indeed, time flies. The Global Landscape Forum was taking place in Paris in the context of COP21. I recall that Sunday afternoon very well. The room I addressed was totally packed with people sitting on the floor. The audience was so diverse, from NGOs and young activists, to CEOs and government representatives. Even if Paris had a strange atmosphere a few days after the terrorist attacks, the COP21 spirit was one of hope, and I really felt we were at a pivotal moment in the fight against climate change. I was invited to speak in the context of the launch of the Livelihoods Fund for Family Farming (L3F), where Firmenich invested from the start.

Thank you for this context Eric. In this event you shared your experience as a board member of the Livelihoods Fund for Climate. You have supported the Livelihoods adventure from the beginning. What have you learned?

I started my collaboration with Livelihoods Climate Fund in the very early days, when Firmenich decided to invest in the first climate fund in 2013. As I already mentioned, we also invested in the L3F Fund in

2015 and the second Livelihoods Climate fund in 2018. Through my engagement with our Livelihoods partners, I have three observations to make:

- › The power of like-minded companies working together towards a common goal
- › The difficulty of anticipating local risks in reforestation and regenerative agriculture projects
- › The need to rigorously measure performance

As a passionate diver, do you have a personal commitment to ocean protection. We often forget that protecting nature and biodiversity is not limited to forest but includes life under water?

Yes indeed. When you can observe underwater life, you truly realize how much impact human activity can have on the oceans. The on-and under-water part of the planet became the invisible dumping place of humanity while, paradoxically, we were over-exploiting its resources. But the awareness of this situation is increasing everywhere and where the preservation areas are organized it is amazing to see how quick the under-water biodiversity develop itself.



Conscious Perfumery by Ilaria Resta

Ilaria, as the President of Firmenich Perfumery division do you believe sustainability in perfumery is the new normal?

At Firmenich, sustainability has been a top priority for the company for several decades. What is new is the pace and scope of our drive to do good. We are at a crossroads in perfumery; we have a greater awareness of the urgency to act and a clearer vision of the areas in which we can drive positive change. We have committed to clear ESG ambitions across our entire perfumery portfolio.

Leadership in sustainable perfumery is essential to Firmenich's ESG ambitions. Can you tell us more about the thinking behind Conscious Perfumery?

Perfumery is now more essential than ever: **63%** of the global population appreciate fragrance more since COVID-19 lockdowns.* That inspired our new Positive Perfumery vision, which aims to make a positive impact on consumers well-being, our communities and the environment. Backed by science, Positive Perfumery thrive to elevate the role of fragrance to improve quality of life through hygiene, mental health and wellbeing. But Positive Perfumery is also Conscious Perfumery, as it combines the best of nature and science to create responsible and sustainable unique capabilities, from our best-in-class palette to specific product and fragrance claims. We are reinventing fragrance design to produce delightful, high-performance fragrances made of clean, biodegradable and responsibly sourced ingredients. Our aim is for our fragrances to leave no trace in the environment, have a reduced carbon footprint, and have a positive impact on people, nature and climate.

Conscious Perfumery is based on a unique fragrance design program. What does it cover precisely?

Our comprehensive fragrance design program, CreateForGood™, leverages the five key notions of naturalness, sustainability, regulatory compliance, transparency and sensorial experience. With our customers, we are co-creating the sustainable fragrances of the future, matching consumer needs and aspirations while preserving nature, mitigating climate change and caring about people. With this program, we can ensure that each interaction with our fragrances is positive in every sense of the word: positive sensorial emotions, positive for our people and communities, and positive for the planet. We believe that fragrance can change the world for good.

Ilaria, what impact would you like to have personally on Firmenich's Pathways to Positive 2025?

The success of Conscious Perfumery is critical for Firmenich, our customers, consumers, people and planet; and there is no doubt that we are fully on track to achieve our ambitions. I would like to personally impact gender equality within our Pathways to Positive. I am the first woman to lead Firmenich's perfumery business and one of the very few in the industry, and I hope to inspire and empower women across the Group (**41%** of our global workforce are women). I would also like to influence our industry. Diversity, respect and openness make our teams creative powerhouses and position us to better respond to the needs of our customers around the world.

*COVID-19 consumer research (April 2020, September 2020), across 11 different countries (Brazil, China, France, India, Indonesia, Mexico, Thailand, Philippines, UK, USA and Vietnam) and 6,400 participants (male and female, across three different economic brackets). A third survey was conducted early 2021.



Digital acceleration and transformation by Eric Saracchi

Eric, you are Firmenich's Chief Digital and Information Officer. How are you and your team driving Firmenich's digital acceleration and transformation?

In our connected, fast paced and ever-changing world, many industries are undergoing disruption. Information technologies are transforming the way we work and the way we consume, generating new business models. To operate in this new environment, Firmenich harnesses its agility, creativity and innovation and seeks to make the most of latest technologies. We are committed to accelerating the development of our digital capabilities from source to consumer. Business models are evolving, offering new opportunities to connect, co-create and co-innovate and new tools to service our customers better and faster with digital commerce and interconnected systems. Our focus is to embrace this evolving ecosystem and ensure that our activities are aligned with our purpose of Tech for Good. Hence, one of our first milestones was to publish our AI Charter underlining our values in what we do.

Our breakthrough solutions stem from our deep human insights and abide by our sustainability principles, namely that they are good for people and planet.

How can digital technologies help us reach our sustainability targets?

I am convinced that digitalization is an essential driver of sustainability. Digital tools can and will enhance our ability to reach our global sustainability goals. Increased data transparency is, for instance, critical for all our stakeholders. From sourcing traceability to augmented innovation and creation, we leverage our data to meet the requirements of conscious consumers. We are committed to accelerating the digitalization of our lifecycle tools, which include the EcoScent Compass™, the EcoFood Compass™ and the Ecolngredient Compass™. These will enable us to deliver solid claims to our customers.

We also plan to digitalize our ESG reporting, which will allow more regular updates and better impact measurement data to meet the

requirements of rating agencies, certification bodies and customers' requests all under a single platform. People are at the heart of our business. Developing our talents and increasing the employability of our workforce to better adapt to an evolving culture will be essential to our success, given that humans are, after all, masterpieces of technology.

Can digital transformation also support Firmenich's ESG ambitions by strengthening our external partnerships to develop more sustainable solutions?

Absolutely, as we will not achieve our ambitions alone. A culture of openness, expanding our network, sharing knowledge and building with our partners will make a big difference. We are already used to working with others at Firmenich in many areas of ESG, such as climate and nature. We will continue to pro-actively expand our strategic partnerships so as to scale up our impacts and innovation. This is what we have set up, for instance, with the EPFL (the Swiss Federal Institute of Technology in Lausanne).

One of the world's top **10** engineering and technology institutions, EPFL has **350** laboratories and **11,000** students hailing from more than **120** countries. Its innovation ecosystem brings together start-ups, forward-thinking companies and leading academics. We are a long-standing academic partner of EPFL, having created the Firmenich Chair in Neurosciences. This d-lab brings together Firmenich experts and key individuals and organizations from the campus's dynamic ecosystem to harness digital technologies. It contributes to strengthening human creativity by leveraging the digital revolution and systematically embedding sustainability drivers in our research.

Cybersecurity is another strong focus for us. It is essential to ensure the security of our data and applications at any point of our value chain, and these are integral to our ESG ambitions. We have even adapted our IT organization to guarantee the highest level of security in our daily activities.



Insights on Corporate Governance by Jane Sinclair

Jane, you are Firmenich's General Counsel. You lead the Legal and Compliance group, a team of passionate professionals worldwide who attend to legal matters, intellectual property, regulatory affairs, health, safety, environment and quality. Would you say you and your team are the guardians of our reputation?

Our team motto is "We build trust to last." Everybody at Firmenich plays a key role in protecting the Company's reputation. My team offers support and guidance to our colleagues so they can make the right decisions and act in line with our Firmenich Fundamentals. We ensure that we stay true to ourselves and to our values in an ever-changing world. A key element of our reputation is the trust that our stakeholders globally place in us. Our customers and end-consumers rely on us to deliver products that are safe and of the highest standards of quality. Our priority is to ensure that we consistently exceed our customers' expectations. To achieve this we set high standards and encourage outstanding performance in product quality and compliance, food safety and service. From the ingredients we source to the wide array of fragrances, flavors and solutions that we produce and sell, product quality, product safety and customer satisfaction are our top priorities.

In February 2021 we launched Firmenich's new ESG ambitions. As you know, G stands for Governance. Can you share your vision of good governance?

Our strong corporate governance was initiated years ago when the Firmenich family established our Fundamentals, the principles by which they wanted our company to operate. They set the high standards that guide us today. My vision is to build on these strong foundations to ensure that, at all levels of our organization, we all uphold and live by these principles. Nurturing a culture of ethics and business integrity is essential. We design our policies and processes to communicate our values, counter bribery and corruption, and ultimately promote peaceful and inclusive societies. We hold ourselves accountable to the

highest ethical standards and operate every day with honesty, fairness and integrity. We regularly engage with our colleagues and our suppliers on our Code of Ethics and related policies.

Is the governance of a family-owned company different from that of a public company?

Not at all. Firmenich is a private company with a public governance. We value our independence and long-term view of the industry and as such we operate at the highest standards of international governance. Our strategic business excellence is represented by the high standing of our international Board of Directors, led by Patrick Firmenich, Chairman of the Board. Our Board members' expertise covers all of our sectors, from the fragrance and flavors industry to science-driven organizations and consumer and fast-moving goods companies. Our Board is comprised of four Firmenich family members and five independent directors. The Company's operational excellence can be seen in the professionalism, experience and expertise of our Executive Committee. Headed by Gilbert Ghostine, our CEO, the executive team includes members from seven different nationalities, **50%** of whom are women, reflecting our diverse and inclusive culture.

Jane, you are a non-Executive Board Member of the National Safety Council. Last October you engaged on social media during World Mental Health Day. Do you have a personal commitment to Caring about People, one of our three strategic pillars?

Yes, I actively advocate for physical and mental health. As a company, we cannot thrive if our colleagues are not able to focus and be efficient due to medical issues. The COVID-19 crisis has inflicted both mental and physical hardship on many people. We have a strong culture of care at Firmenich, which at its core, is protecting, supporting and keeping our colleagues safe wherever they may be, whatever they may do and whatever issues they may face.



Our human capital by Mieke Van de Capelle

Mieke, FY21 was dominated by the COVID-19 pandemic, which deeply impacted everyone's lives. We cannot open this chapter about caring for people without mentioning the resilience of Firmenich colleagues around the globe. As the Chief Human Resources of the Group, what have you learned from this experience?

At the end of the day, your social capital is what safeguards you in times of crisis. That is the one essential lesson the COVID-19 pandemic has impressed upon me most. The pandemic forced us to upend many paradigms. Literally overnight, **50%** of our workforce was forced to work remotely. We found creative ways to ship samples to our customers. We kept our factories and labs running without business disruption in any of our countries and were able to guarantee continued service to our customers. We fast-tracked innovation in new segments that had suddenly become important to consumers faced with the pandemic.

None of this would have been feasible were it not for the highly committed, proud and loyal colleagues who did their utmost to overcome the many new obstacles thrown in our path. We adjusted to our people's needs along the way. Helping colleagues maintain good mental health and wellbeing became paramount as the crisis wore on. We also knew we needed to rally behind a strong stand on hope, the belief that we are part of a resilient industry that was able to keep growing, hiring people and interns, and investing in its talent and the communities around us. There is much to be grateful for.

The COVID-19 crisis has crystallized just how important the social dimension of ESG is. Do you see other factors beyond the pandemic driving this transformation?

In the past fiscal year, we have seen an increasing focus on protecting human rights, with new regulations emerging in many European countries, including Switzerland. Human rights protection has long been a priority at Firmenich, but we are now intensifying our actions. We are driving awareness through training and coaching across the Firmenich Group, and among our suppliers. We are reviewing how our procurement strategy impacts human rights, a topic widely discussed in our Human Rights Executive Committee.

**"Now more than ever,
companies need to speak out
on what they stand for"**



Our people strategy is a direct reflection of the social tensions we witness in society. During the crisis, we saw institutional exclusion and racial injustice in many countries and the emergence of a strong nationalist bias. Now more than ever, companies need to speak out on what they stand for. Guaranteeing ethnic inclusion and equality is the next frontier. In our own industry, one example is opening the world of taste and fragrance to ethnically diverse talent, a challenge we are embracing through dedicated hiring practices and partnerships. We still have a lot of work to do, but I am impressed by the commitment and actions of our colleagues in the United States, France and beyond.

Do you see any challenges in making Caring about People even more central to our business?

We need more rigor and science behind the people targets in our industry and beyond. While science-based targets inform our actions on climate and nature, there is room for improvement in setting standards for key themes around diversity, inclusion and community impact. We have been EDGE certified since 2018. This independent certification and monitoring of our performance requires us to continually scrutinize and finetune all our people practices.

Young people have been particularly challenged these past months by the pandemic. What can Firmenich do to help?

As a family company, we want to transfer our heritage to the next generations by helping them acquire important job skills and adapt to a fast-changing world. We have continued to offer hundreds of internships, apprenticeships, jobs, and learning opportunities to the next-generation workforce around the world. This is a duty to society that we will not renege on!

“Guaranteeing ethnic inclusion and equality is the next frontier”

08

Performance



Performance tables FY21

	FY17	FY20	FY21	FY21 with recent M&A & JV's with operational control
ENVIRONMENT				
Direct and indirect CO₂ Emissions [metric tons] Operational control consolidation approach for emissions includes CH₄, N₂O and after FY20 refrigerant emissions GRI 305-1; 305-2				
Scope 1: Direct Energy Source	75 041.74	71 691.84	75 663.86	163 868.27
Scope 1: CO ₂ equivalent Refrigerant emissions	N/A	1 058.28 (1)	943.52	943.52
Total Scope 1:	75 041.74	72 750.12	76 607.38	164 811.79
Scope 2: Indirect Source [market based]	57 266.07	7 697.65	6 623.17	7373.47
Total Scope 1 & 2 CO ₂ Emissions [market based]	132 307.81	80 447.77	83 230.55	172 185.26
CO ₂ emissions from renewable sources excluded from Scope 1 and 2 (9)	0.00	8 519.82	11 381.10	422 037.17
Other indirect CO₂ (Scope 3) Emissions [metric tons] GRI 305-3 Purchased				
Purchased Goods & Services (3)	3 426 531	3 287 749	3 337 129	Under developement
Outbound transportation & distribution (4)	30 548	44 188	49 966	Under developement
Waste generated in operations (6)	14 451	17 947	18 957	Under developement
Business Travel (5)	16 736	6 082	817	Under developement
Employee Commuting (7)	28 906	27 429	17 839	Under developement
Total Scope 3 CO ₂ Emissions	3 517 172	3 383 395	3 424 708	Under developement
GHG emissions intensity [kg CO₂ /metric ton produced] GRI 305-4				
Total Scope 1:	379	311	322	345
Scope 2: Indirect Source [market based]	289	33	28	15
Total Scope 1 & 2 CO ₂ Emissions [market based]	668	344	349	360
Other [metric tons] GRI 305-7				
NOx (2)	108.63	130.58 (1)	144.33 (1)	858.60 (1)
SOx (2)	25.57	6.28 (1)	7.466 (1)	44.62 (1)
VOC	233.17	219.95 (1)	213.83	821.05

	FY17	FY20	FY21	FY21 with recent M&A & JV's with operational control
Production QTY (metric tons)				
Production QTY				
	198 081.93	234 079.38	238 216.06	477 637.73
Energy [GJ] GRI 302-4				
Direct Energy (own source)	1 222 183.73	1 261 654.79	1 346 027.68	5 671 337.17
Natural gas	1 129 394.39	1 128 717.43	1 173 765.36	2 722 950.64
Oil	52 301.28	9 918.40	11 425.55	27 205.25
(Biomass) all forms	0.00	77 835.04	103 974.94	2 710 011.45
LPG	2 008.53	3 895.21	3 980.51	4 311.35
Incinerating waste	36 370.94	38 650.92	48 830.10	202 807.26
Self generated solar (with ownership)	2 108.58	2 637.79	4 051.22	4 051.22
Indirect Energy: purchased (incl. electricity, steam, etc.)	798 222.84	876 858.04	878 279.22	2 127 652.76
Electric	683 141.89	759 031.78	777 027.75	1 232 847.62
Steam	97 817.95	101 787.26	97 146.47	890 700.14
Indirect heat	17 263.00	16 039.00	4 105.00	4 105.00
Total Energy	2 020 406.56	2 138 512.83	2 224 306.90	7 798 989.93
Renewable Direct Energy (own source)	2 108.58	80 472.83	108 026.16	2 714 062.67
Renewable Indirect Energy: purchased (incl. electricity, steam, etc.)	416 716.55	759 031.78	777 027.75	1 232 847.62
Total Energy % renewable		21%	39%	40%
Water withdrawal [m³] GRI 303-3				
Municipal	1 306 583.01	1 400 780.94 (1)	1 455 145.78	1 835 854.52
Ground	61 414.4	57 668.89	48 510.79	9 976 548.73
Municipal & Ground	1 367 997.41	1 458 449.83 (1)	1 503 656.57	1 1812 403.25
Surface	326 3691.1	3 150 784.77	3 007 212.00	3 008 398.00
Recycle/Reuse	2 2581.4	51 376.84	48 290.62	48 650.62
Total (excluding Recycle/Reuse)	4 631 688.51	4 609 234.60 (1)	451 086.57	1 4820 801.25

	FY17	FY20	FY21	FY21 with recent M&A & JV's with operational control	FY17	FY20	FY21	FY21 with recent M&A & JV's with operational control
Water input (m³) stressed areas only (top 10 from annual risk assessment, 11 starting in FY21)								
Municipal	510 580.10	502 595.45	570 239.59	Under developement				
Ground	45 534.40	37 946.47	24 182.64	Under developement				
Municipal & Ground	556 114.50	540 541.92	594 422.23	Under developement				
Surface	16 780.10	8 659.77	0.00	Under developement				
Recycle/Reuse	21 315	11 955.00	9 759.00	Under developement				
Total (excluding Recycle/Reuse)	572 894.60	549 201.69	594 422.23	Under developement				
Effluent discharge (m³) GRI 306-1								
Direct discharge to surface water with on-site treatment (m³)	688 622.96	689 821.72	7686 23.00	10 205 449.57				
COD Direct discharge to surface water with on-site treatment (Tons)	401.12	133.90	141.17	323.58				
Discharge to off-site municipal wastewater system (m³)	625 764.80	760 806.49 (1)	773 777.32	1 932 400.66				
COD Discharge to off-site municipal wastewater system (MT)	1 790.42	1 944.81	2 058.09	4 792.98				
Total effluent (m³)	1 314 387.76	1 450 628.21 (1)	1 542 400.32	12 137 850.23				
Total COD (MT)	2 191.54	2 078.71	2 199.26	5 116.56				
Waste Generation and Disposal GRI 306-2								
Hazardous (HZ) waste (metric tons)								
Incinerated (without heat recovery)	4 628.58	6 182.66	6 609.300	9 743.57				
Incinerated (with heat recovery)	13 318.30	11 980.15	13 561.579	38 867.31				
Land-filled	11.85	11.24	12.424	37.98				
Other	648.56	942.12	748.075	797.81				
Total hazardous waste	18 607.29	19 116.17	209 31.37	49 446.68				
At times environmental data from previous years is updated, adjusted or corrected. Any changes in environmental data previously published below a 1% threshold are deemed not material unless it is found to be of sufficient importance to our management team, and in these cases the explanation for the variation will be detailed. All cases above 1% the variation will be detailed.								

[1] Changes with <1% variation.

+2.6%, Scope 1: CO₂ equivalent Refrigerant emissions
[Changes driven by corrected release amounts at two sites]

NOx FY18 +42.3, FY19 +31.2, FY20 +37.0 (see #2 for explanation)

SOx FY18 +6.2, FY19 +6.1, FY20 +3.3 (see #2 for explanation)

+8.1% FY20 VOC (missed reporting, 6-month period)

+7.2%, FY20 Water withdrawal Municipal [Changes driven by corrected units amounts at one site]

+7.0%, FY20 Water withdrawal Municipal & Ground [Changes driven by corrected units amounts at one site]

+2.3%, FY20 Water withdrawal Total [Changes driven by corrected units amounts at one site]

+12.4%, FY20 Discharge to off-site municipal wastewater system [m³] [Changes driven by corrected units amounts at one site]

+6.9%, FY20 Water DischargeTotal [Changes driven by corrected units amounts at one site]

-1.9% FY20 Non-hazardous waste Incinerated [with heat recovery]

-1.2% FY20 Total non-hazardous waste

[2] A full study of historical NOx & SOx emissions conducted, updates made to all past data based on study results

[3] We use primary data from our raw materials suppliers submitted through the annual CDP Supply Chain Request. In addition to data on supplier emissions intensity (tCO₂e per revenue) from the CDP Supply Chain Request, we utilize the total spend on raw materials from suppliers to determine our Category 1 emissions. For suppliers without emissions intensity data reported to CDP, we scaled up our calculated total to include GHG emissions from our entire raw materials supply chain. This is a cradle to gate approach utilizing Scope 1, 2, & 3 emissions reported by our suppliers.

[4] For 2020 and forward we adjusted our calculations for outbound transportation to affiliates and customers. For 2019 and prior we used country pair approach that is less accurate. In 2020 we began calculating the bird distance between the point pairs (much higher accuracy). We also enhanced the process of isolating and "checking" data bugs and an evolved algorithm for the calculation by weighting the tonnage per distance range was used. Firmenich accounts for tank-to-wheel CO₂e emissions for all sites. A third party analyzes the specific CO₂e emissions per shipment based on our transportation data, vehicles used, and loading factors.

[5] Business air travel for all sites (99% coverage) provided by regional and local travel agencies.

[6] Waste data is collected and divided into categories and subcategories of disposal method. Then, published CO₂e emission factors are applied to each subcategory.

[7] Employee commuting includes all employees globally and is estimated using assumptions from an external study and most recent available emission factors.

[8] Non-hazardous waste «other» including M&A under evaluation, one large stream will be reclassified from «other» to an appropriate category and restated in the FY22 report.

[9] There are CO₂ emissions from biogenic carbon (process steam generated on-site with biomass and process steam provided from off-site generated with biomass). As these emissions are from renewable sources they are excluded from Scope 1 & 2 in line with GHG accounting principles.

Sources

Scope 1 emission factors; all sites GHG protocol Emission Factors from Cross Sector Tools (2014) except one newly acquired site in France.

DRT Vielle-Saint-Girons in France uses ADEME Bilan Carbone

Scope 2 emission factors;

The Climate Registry 2018 Default Emission Factor Document (05/01/2018), Table 14.4 2011 Emission Rates

Ecometrica (2011), Electricity-specific emission factors for grid electricity, Appendix I

AIB European Residual Mixes AIB Version 1.1, 2020-05-29

UK Government GHG Reporting Conversion Factors 2019, UK electricity

eGRID2018 Summary Tables (03/09/2020), 1. Subregion Total Output Emission Rates

2020 Green-e® Residual Mix Emissions Rates (2018 Data)

Global Warming Potential Values CH4 and N2O; IPCC Fifth Assessment Report, 2014 (AR5)

Global Warming Potential Values refrigerants; IPCC Fifth Assessment Report, 2014 (AR5), ASHRAE Standard 34 & US EPA Ozone Layer Protection SNAP Program

NOx and SOx emission factors are calculated using EPA AP-42 and European Environmental Agency emission factors

Comments:

Scope of all environmental data presented: operational control consolidation approach

All data presented is for fiscal year 2021 with the exception of Outbound transportation & distribution which is based on calendar year 2020

For environmental data purposes recent M&A includes DRT, VKL Seasonings, Evonik, MG International

We disclose the source of our water input (Municipal, ground, surface). In FY22 we will also disclose withdrawal by TDS level;

- i. Freshwater (<1,000 mg/L Total Dissolved Solids)
- ii. Other water (>1,000 mg/L Total Dissolved Solids)

VOC emissions are currently calculated and entered at the site level. VOC emissions are very specific to the type and configuration of the operation and controls in place. Our current target is to maintain current VOC emission rates per unit of production.

For GRI Disclosure 302-2, Energy consumption (GJ) outside of the organization we do not report, however the energy impact is included in our Eco Scent Compass & Ecofood Compass tools which we report on

We do not consider our operations refrigerant intensive, however we do track refrigerant emissions and equate to CO₂ impact using the following criteria;

If refrigerant GWP (Global Warming Potential) <150: Not required to report for this equipment

If refrigerant GWP >150 and <2500 Report for equipment that: Has a full charge >23 kg and a trigger leak rate >15%

If refrigerant GWP >2,500: Required to report for this equipment regardless of full charge amount and leak rate

Utilizing the refrigerant charge threshold of >23 kg is the best practice currently used (and required by regulation for the U.S.). Full charges less than 23 kg would likely produce very minor leaks, contributing to low quantity emissions on an individual basis. In addition, full charges of 23 kg or greater with a trigger leak rate of 15% or less would not contribute to a substantial amount of emissions. Any refrigerant with a GWP value less than or equal to 150 would be expected to have minimal emissions associated with it. However, any refrigerant with a GWP value greater than or equal to 2,500 is expected to be phased out in the next few years because it is capable of producing a substantial amount of emissions.

	FY20	FY21
HEALTH & SAFETY* GRI403-9		
Incidents		
Lost-time injury** (LTIs)		
	5	10
Total-recordable cases*** (TRCs)	15	20
Lost-time injury rate (LTIR)	0.06	0.23
Fatalities	0	0
Lost-time injury (LTI) by region		
Europe	2	5
India, Middle East & Africa	0	2
North America	2	1
South America	0	1
North Asia	1	0
South & East Asia	0	1
Grand total	5	10
Total recordable cases (TRC) by region		
Europe	5	8
India, Middle East & Africa	0	3
North America	7	5
South America	0	1
North Asia	2	1
South & East Asia	1	2
Grand total	15	20
Lost-time injury (LTI) by gender		
Male	5	9
Female	0	1
Total recordable cases (TRC) by gender		
Male	13	18
Female	2	2

	# of employees	# Union	# Non Union	% of Union employees
COLLECTIVE BARGAINING FIGURES				
Data as of June 16th 2021				
Region				
Europe	2973	1300	1673	44%
India, Middle East & Africa	740	25	715	3%
North America	1660	0	1660	0%
South America	887	518	369	58%
North Asia	789	519	270	66%
South & East Asia	598	0	598	0%
Total	7647	2362	5285	31%

*Occupational Health & Safety data covers fixed and temporary headcount including workers supervised by a contractor

** Lost-time injury rate (LTIR) = Lost-time cases per 200,000 exposure hours (a recordable work-related injury or illness that results in time away from work of greater than one day or one shift following the day of the incident)

*** Total recordable cases (TRC) = Total recordable cases per 200,000 exposure hours (this is the sum of lost time cases + restricted work cases + medical treatment, which are either work-related injuries or illnesses).

	2020	2021	Total workforce 2021
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Workforce Trends

Total workforce at the end of the reporting period - men	4 596	4 800	
Total workforce at the end of the reporting period - women	3 114	3 272	8 072

PEOPLE DATA COVERS ALL OPERATIONS
EXCLUDING DRT, MG, VKL AND
NON-MAJORITY OWNED ACQUISITIONS

	2020	2021	Total full-time workforce 2021
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Workforce Trends

Full - time equivalent workforce - men	4 588.5	4 790.4	
Full - time equivalent workforce - women	3 066.9	3 223.3	8 013.7

	Men - 2020	Women - 2020	Men - 2021	Women - 2021	Total workforce by region and gender 2021
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Workforce by region and by gender

Europe	1 834	1 279	1 939	1 365	3 304
India, Middle East & Africa	540	200	557	201	758
North America	955	616	1 032	648	1 680
South America	551	352	540	383	923
North Asia	433	346	446	353	799
South & East Asia	283	321	286	322	608
Grand total			4 800	3 272	8 072

	2020	2021	Total Workforce 2021
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Workforce by type of working day and gender

Number of men full-time	4 539	4 730	
Number of men part-time	57	70	
Number of women full-time	2 866	3 018	
Number of women part-time	248	254	8 195

<30 YEARS 30-50 YEARS 50 YEARS

<30 YEARS 30-50 YEARS >50 YEARS

TOTAL 2020**New employee hires in 2020 (men)****REGION**

	<30 YEARS	30-50 YEARS	>50 YEARS
Europe	33	88	16
India, Middle East & Africa	11	22	3
North America	36	87	12
South America	35	73	5
North Asia	18	43	
South & East Asia	11	14	1
Grand Total	144	327	37

New employee hires in 2020 (women)**REGION**

	<30 YEARS	30-50 YEARS	>50 YEARS
Europe	43	66	5
India, Middle East & Africa	10	15	3
North America	34	23	9
South America	24	28	
North Asia	16	25	
South & East Asia	11	15	1
Grand Total	138	172	18

251**64****201****165****102****53****836**

<30 YEARS 30-50 YEARS >50 YEARS

<30 YEARS 30-50 YEARS >50 YEARS

TOTAL 2021**New employee hires in 2021 (men)****REGION**

	<30 YEARS	30-50 YEARS	>50 YEARS
Europe	41	107	20
India, Middle East & Africa	10	30	4
North America	39	104	30
North Asia	10	35	0
South & East Asia	2	17	2
South America	22	53	3
Grand Total	124	346	59

New employee hires in 2021 (women)**REGION**

	<30 YEARS	30-50 YEARS	>50 YEARS
Europe	41	62	12
India, Middle East & Africa	1	17	2
North America	31	36	6
North Asia	11	24	
South & East Asia	12	24	2
South America	29	36	2
Grand Total	125	199	24

283**64****246****80****59****145****877**

	2020	2021
New employees hires by age group (men)		
< 30 years	144	124
30-50 years	327	346
> 50 years	37	59
TOTAL	508	529

	2020	2021	Total of new employees hires by age group (2021)
New employees hires by age group (women)			
< 30 years	138	125	249
30-50 years	172	199	545
> 50 years	18	24	83
TOTAL	328	348	877

	2020	2021
Men by employment category		
Directors	608	644
Middle managers	1 196	1 242
Rest of workforce	2 476	2 624
TOTAL	4 280	4 510

	2020	2021	Total of employees by employment category (2021)
Women by employment category			
Directors	372.0	420	1 064
Middle managers	1 241	1 311	2 553
Rest of workforce	1 342	1 388	4 012
TOTAL	2 955	3 119	7 629

	2020	2021
Executive Board [men]		
< 30 years	0	0
30-50 years	1	1
> 50 years	4	4
TOTAL	5	5

	2020	2021	Total of Executive Board members (2021)
Executive Board [women]			
< 30 years	0	0	0
30-50 years	2	2	3
> 50 years	2	2	6
TOTAL	4	4	9

	2020	2021
Men by age group		
< 30 years	426	414
30-50 years	2 891	3 028
> 50 years	963	1 068
TOTAL	4 280	4 510

	2020	2021	Total of employees by age group (2021)
Women by age group			
< 30 years	421	430	844
30-50 years	2 026	2 109	5 137
> 50 years	508	580	1 648
TOTAL	2 955	3 119	7 629

	#of employees	#Union	#Non Union	% of Union Employees
Region				
Europe	2 973	1 300	1 673	44%
India, Middle East & Africa	740	25	715	3%
North America	1 660	0	1 660	0%
South America	887	518	369	58%
North Asia	789	519	270	66%
South & East Asia	598	0	598	0%
Total	7 647	2 362	5 285	31%

Workforce by working day and gender - These data include all permanent, fixed-term, temporary and contracted employees directly managed by Firmenich.

Employees by gender and employment category - These data exclude temporary and contracted employees

	2020	2021
Turnover by age (men)		
< 30 years	15.5%	18.3%
30-50 years	9.0%	8.8%
> 50 years	10.9%	10.7%

	2020	2021
Turnover by age (women)		
< 30 years	13.3%	14.5%
30-50 years	7.7%	7.5%
> 50 years	11.1%	10.3%

	% Turnover <30 Y	% Turnover 30-50 Y	% Turnover of >50
R12 Total Turnover by Region, Gender and Age Band (men)			
REGION			
Europe	4.8%	5.5%	8.8%
India, Middle East & Africa	5.4%	2.3%	8.4%
North America	30.4%	15.0%	12.2%
North Asia	26.5%	16.3%	16.1%
South & East Asia	22.4%	7.6%	14.3%
South America	21.5%	12.2%	12.3%
Grand Total	18.3%	8.8%	10.7%

	Avg. FTE <30 Y	Avg. FTE 30-50 Y	Avg. FTE >50
R12 Total Turnover by Region, Gender and Age Band (women)			
REGION			
Europe	9.8%	6.3%	6.8%
India, Middle East & Africa	21.5%	7.1%	21.2%
North America	15.9%	7.7%	14.6%
North Asia	18.5%	9.6%	6.0%
South & East Asia	20.2%	5.8%	12.2%
South America	14.0%	10.6%	10.3%
Grand Total	14.5%	7.5%	10.3%

	< 30 years	30-50 years	> 50 years	TOTAL
FY21 Total Turnover				
Terminations FTE				
REGION				
Europe	16.0	110.8	62.5	189.3
India, Middle East & Africa	7.0	22.0	5.0	34.0
North America	35.0	92.0	71.0	198.0
North Asia	18.0	84.0	9.0	111.0
South & East Asia	15.0	28.0	12.0	55.0
South America	25.0	72.0	11.0	108.0
Grand Total	116.0	408.8	170.5	695.3

	< 30 years	30-50 years	> 50 years	TOTAL
FY21 Total Turnover				
FY21 Total Turnover				
REGION				
Europe	7.8%	5.9%	8.1%	6.6%
India, Middle East & Africa	11.6%	3.5%	11.1%	4.6%
North America	22.7%	12.0%	13.0%	13.5%
North Asia	22.2%	13.3%	13.6%	14.3%
South & East Asia	21.5%	6.7%	13.2%	9.5%
South America	18.0%	11.5%	11.5%	12.6%
Grand Total	16.4%	8.2%	10.6%	9.5%

< 30 years	30-50 years	> 50 years	TOTAL
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Total FY21 Turnover - Women				TOTAL
Terminations FTE				
REGION				
Europe	12.0	5.2	18.2	82.4
India, Middle East & Africa	5.0	11.0	2.0	18.0
North America	13.0	24.0	27.0	64.0
North Asia	8.0	27.0	1.0	36.0
South & East Asia	6.0	13.0	6.0	25.0
South America	9.0	26.0	4.0	39.0
Grand Total	53.0	153.2	58.2	264.4

< 30 years	30-50 years	> 50 years	TOTAL
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Total FY21 Turnover - Women				TOTAL
FY21 Total Turnover				
REGION				
Europe	9.8%	6.3%	6.8%	6.8%
India, Middle East & Africa	21.5%	7.1%	21.2%	9.6%
North America	15.9%	7.7%	14.6%	11.0%
North Asia	18.5%	9.6%	6.0%	10.6%
South & East Asia	20.2%	5.8%	12.2%	8.3%
South America	14.0%	10.6%	10.3%	11.2%
Grand Total	14.5%	7.5%	10.3%	8.9%

< 30 years	30-50 years	> 50 years	TOTAL
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Total FY21 Turnover - Men				TOTAL
Terminations FTE				
REGION				
Europe	4.0	58.6	44.3	106.9
India, Middle East & Africa	2.0	11.0	3.0	16.0
North America	22.0	68.0	44.0	134.0
North Asia	10.0	57.0	8.0	75.0
South & East Asia	9.0	15.0	6.0	30.0
South America	16.0	46.0	7.0	69.0
Grand Total	63.0	255.6	112.3	430.9

< 30 years	30-50 years	> 50 years	TOTAL
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Total FY21 Turnover - Men				TOTAL
FY21 Total Turnover				
REGION				
Europe	4.8%	5.5%	8.8%	6.5%
India, Middle East & Africa	5.4%	2.3%	8.4%	2.9%
North America	30.4%	15.0%	12.2%	15.1%
North Asia	26.5%	16.3%	16.1%	17.1%
South & East Asia	22.4%	7.6%	14.3%	10.7%
South America	21.5%	12.2%	12.3%	13.5%
Grand Total	18.3%	8.8%	10.7%	10.0%

2030 ambitions

Carbon positive

IN OUR DIRECT OPERATIONS (SINCE 2026).
BY 2030 WE WILL HAVE ACHIEVED ABSOLUTE CARBON EMISSION REDUCTION IN LINE WITH THE 1.5°C SCIENCE-BASED TARGETS

Water Neutral

IN WATER STRESSED AREAS

Zero Waste

TO LANDFILL

100%

RENEWABLE ELECTRICITY

- 55%

SCOPE 1 & SCOPE 2 CO₂E EMISSIONS VS. 2017

- 20%

SCOPE 3 CO₂E EMISSIONS (FROM PURCHASED RAW MATERIALS) VS. 2017

100%

PLASTIC RECYCLED

INGREDIENTS

70%

OF FIRMENICH INGREDIENTS MANUFACTURED FROM RENEWABLE CARBON

PERFUMERY

100% OF OUR FRAGRANCES WILL BE RENEWABLE (ISO 16128*)

MADE OF 70% RENEWABLE (ISO 16128*) OR UPCYCLED CARBON CONTENT (FRAGRANCE PORTFOLIO AVERAGE)

-25% CARBON IMPACT OF OUR PERFUMERY BUSINESS (VS 2020 BASELINE)

TASTE & BEYOND

OUR SMARTPROTEINS® WILL HELP SAVE 285 BILLION LITERS OF WATER / YEAR

OUR SMARTPROTEINS® WILL HELP REDUCE 4.5 MILLION METRIC TONS CO₂E EMISSION / YEAR

2030 ambitions



OF OUR NATURE PROGRAM
REPORTING AGAINST
SCIENCE-BASED TARGETS
FOR NATURE

INGREDIENTS



FARMING PARTNERSHIPS TAKING ACTION
ON REGENERATIVE AGRICULTURE

90% OF TERPENES
& RESINS

RAW MATERIAL SUPPLY CERTIFIED PEFC/FSC

Advocate for Nature-based solutions

IN PARTNERSHIP WITH OUR CLIENTS
AND SUPPLIERS AT GLOBAL
POLICY FORUMS

Lead the Green Chemistry transformation

**High
vitality**
R&D PROJECT PIPELINE
DEDICATED TO DECREASING
PRESSURE ON THREATENED
NATURAL RESOURCES

PERFUMERY



ULTIMATELY OR PARTIALLY
BIODEGRADABLE
INGREDIENTS
IN OUR FRAGRANCE PORTFOLIO

TASTE & BEYOND

LEAD THE GLOBAL
DIET TRANSFORMATION
THROUGH GREEN PROTEINS
CONTRIBUTING TO SOIL
HEALTH REGENERATION

TASTE & BEYOND
CREATION PALETTE
MEASURED
BY **ECOFOOD COMPASS™**



2030 ambitions

CORPORATE

ACTIVATION

55% of Senior Leaders are diverse¹

NO GENDER PAY GAP
NO ETHNIC PAY GAP
NO ENGAGEMENT GAP

10% of differently-abled people in our workforce

Create 5,000 job opportunities for youth

Invest in 500,000 hours of training globally

25,000 hours of volunteering per year

400 community projects funded by our foundation

Sustain and further improve our industry-leading safety performance

BY MAINTAINING A TOTAL RECORDABLE CASE (TRC) RATE BELOW 0.20

CORPORATE

Zero human rights
NON COMPLIANCE IN OUR OPERATIONS

TRAIN MAJOR SUPPLIERS ON
Human Rights
AND RESPONSIBLE SOURCING

Maintain our EDGE certification

SCALE UP OUR SUPPLIERS' ENGAGEMENT ON
living wage

PERFUMERY

Maintain 100% compliance with IFRA standards

Embrace transparency
WITH DISCLOSURE OF INGREDIENTS DOWN TO 900/100PPM

TASTE & BEYOND

REDUCE CALORIES FROM SUGAR IN PEOPLE'S DIET UP TO
2.8 trillion
(240% REDUCTION VS 2020)

1. members identifying as female and/or ethnically diverse. Senior Leaders are Executives, Senior Presidents, selected Vice Presidents, Senior Directors and Creators that are members of the Senior Leadership Team

Pathway to positive drivers



BUSINESS ETHICS

Maintain a score of 80
ON ECOVADIS ETHICS SECTION

Maintain a strong culture of food protection with :

1. Zero customer food protection NON CONFORMANCE
2. Zero endproduct recall DUE TO FIRMENICH PRODUCTS



DIGITAL ACCELERATION

Scale up
OUR DIGITAL TRACEABILITY PROGRAM

Scale up our Ecotools

ECOSCENT COMPASS™
ECOFOOD COMPASS™
ECOINGREDIENTS COMPASS™

Full digitalization
OF ESG DATA REPORTING

Augmented discovery

Continue operating against our AI
FOR GOOD CHARTER



IMPACTFUL SCIENCE

Deliver annually
8 new sustainable ingredients



RESPONSIBLE SOURCING

50 key ingredients
CERTIFIED



90%
OF OUR SUPPLIERS SPEND RATED
ECOVADIS SILVER



80%
OF OUR RAW MATERIAL SPEND FROM SUPPLIERS
REPORTING ON CDP CLIMATE CHANGE AND SETTING TARGETS AND IMPROVEMENT PLANS

Site certifications FY21

ZONE	SITE	PRODUCTS	QUALITY ISO 9001	ENVIRONMENT ISO 14001	OCCUPATIONAL HEALTH & SAFETY ISO 45001	FOOD SAFETY STANDARDS FSSC 22000	SMETA 6.1 4 PILLARS AUDIT
IMEA	Louvain-La-Neuve, Belgium	Fl	•	•	•	•	•
	Castets, France	I		•			•
	Grasse, France	I	•	•	•	•	•
	Trostberg, Germany	I	•	•		•	•
	Parma, Italy	Fl				(BRC)	On going
	Aalesund, Norway	Fl	•	•	•	•	•
	Midrand, South Africa	Fl				•	•
	La Plaine, Switzerland	I		•	•		•
	Meyrin, Switzerland	Fl / Fr	•	•	•	•	•
	Thirsk, UK	Fl	•	•	•	•	•
North America	Anaheim, California	Fl	•	•	•	•	•
	Lakeland, Florida	Fl	•	•	•	•	•
	St. Louis, Missouri	Fl	•	•	•	•	•
	New Ulm, Minnesota	Fl		•	•	•	•
	Newark, New Jersey	I	•	•	•		•
	Somerset, New Jersey	Fr					On going
	Van Nuys, California	Fr					On going
	Chehalis, Washington	Fl				•	•
	Princeton, New Jersey	Fl / Fr	•	•	•	•	•

Fl : Flavors

Fr : Fragrances

I : Ingredients

Site certifications FY21

ZONE	SITE	PRODUCTS	QUALITY ISO 9001	ENVIRONMENT ISO 14001	OCCUPATIONAL HEALTH & SAFETY ISO 45001	FOOD SAFETY STANDARDS FSSC 22000	SMETA 6.1 4 PILLARS AUDIT
Latin America	Bueno Aires, Argentina	Fl / Fr	•	•	•	•	•
	Sao Paulo, Brazil	Fl / Fr	•	•	•	•	•
	Bogota, Colombia	Fl / Fr	•	•	•	•	•
	Apodaca, Mexico	Fl / Fr				(BRC)	On going
	Toluca, Mexico	Fl / Fr	•	•	•	•	•
Asia Pacific	Shanghai, China	Fl / Fr	•	•	•	•	•
	Zhangjiagang, China	Fl	•	•	•	•	•
	Kunming, China	I		•	•		•
	Daman, India	Fl / Fr	•	•	•	•	•
	Dahej, India	Fr / I	•	•	•		•
	Cileungsin, Indonesia	Fl	•	•	•	•	•
	Karawang, Indonesia	Fl	•	•	•	•	•
	Ibaraki, Japan	Fl	•	•	•	•	•
	Singapore	Fr	•	•	•		•

Fl : Flavors

Fr : Fragrances

I : Ingredients

GRI Content index

GRI 102: GENERAL STANDARD DISCLOSURES

GENERAL DISCLOSURES	DEFINITION	PAGE NUMBER
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	103-2	The management approach and its components	Page 113
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	302-2	Energy consumption outside of the organization	Page 35
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Independent assurance statement

SGS

ASSURANCE STATEMENT

SGS SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE SA REPORT ON SUSTAINABILITY ACTIVITIES IN THE FIRMINICH ESG REPORT 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Société Générale de Surveillance SA was commissioned by Firmenich to conduct an independent assurance of the Firmenich ESG Report 2021. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all text, and data in accompanying tables, contained in the reports, data in accompanying tables including performance tables at the end of the report.

The information in the Firmenich ESG Report 2021 and its presentation are the responsibility of the directors and the management of Firmenich. SGS Société Générale de Surveillance SA has not been involved in the preparation of any of the material included in the Firmenich ESG Report 2021.

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of verification set out below with the intention to inform all Firmenich's stakeholders.

The SGS protocols are based upon the internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB and other standards or best practice guidance.

We are providing a reasonable level of assurance, using our protocols for:

- evaluation of content veracity, and
- evaluation of the report against the GRI Standards (2016), in Accordance with the Core option

Within the scope of assurance, the procedures we performed included, but were not limited to:

- Pre-assurance desk research and document review carried out in July 2021, with the purpose of understanding the background and prepare the remote interviews.
- Interviews with the relevant managers and directors with responsibility for each element of the report, include those responsible for producing and validating KPI data. These interviews focused on understanding evidence to support material performance claims, include strategy, management systems and controls, and the data collection, collation and reporting processes used to produce reported data.
- Review of documentation of record to check statements back to source.

Limitations
 This year due to restrictions of the COVID-19 pandemic, there was no opportunity to for visits on-site or face-to-face interviews. Instead, interviews were carried out remotely with interviewees located in different locations around the world. Data has been assured at corporate level; base data utilized in the calculation of the consolidated figures have not been assured.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of the assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and services certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS Société Générale de Surveillance SA confirms our independence from Firmenich, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with Lead Quality, Environmental and Social Auditor and experience in the flavors and fragrance industry.

VERIFICATION/ ASSURANCE OPINION
 On the basis that the methodology described, and the verification work performed, in our opinion the information and data contained within Firmenich ESG Report 2021 is accurate, reliable and provides a fair and balanced representation of Firmenich sustainability activities in fiscal year 2021, relating to the 12 months ending June 30, 2021, in all material respects.

The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES GRI Standard (current edition)
 In our opinion the Firmenich ESG Report 2021 is presented in accordance with the core option for GRI Standards (current edition) and fulfills all the required content and quality criteria.

Principles
 In our opinion the content of the report adheres to the four GRI Report Content Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness, and the six GRI Report Quality Principles of Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.

General Standard Disclosures and Specific Standard Disclosures
 We are satisfied that the General Standard Disclosures and Specific Standard Disclosures on Aspects identified as Material have been addressed in line with the requirements of GRI Standards (current edition).
 The report, Firmenich ESG Report 2021, is adequately in line with the GRI Standards in accordance with the GRI Standards: Core option.

RECOMMENDATIONS
 Opportunities were identified for consideration in future reporting cycles to ensure continual improvement, including:

- Firmenich reports using a range of internal, external and science-based KPIs and targets. A brief explanation of collection, collation and consolidation methodologies are explained in a specific page at the end the report. In line with best reporting practice, this information could be presented in detail in a separate and publicly available document which describes the scope and boundaries of reporting, criteria, reporting standards, conversion factors, calculations, and definitions used for each KPI, and for all 2025 and 2030 performance targets and ambitions.
- Some parts of the report, particularly those focused on R&D development, require a good scientific background from non-expert reader. Wherever possible, Firmenich should seek to address its report to a non-expert audience, in line with good practice in reporting, and present such technical information with more context to help the non-expert audience to fully understand the impact in terms of sustainable development.
- While the materiality assessment carried out in FY20 is still valid, there has been an evolution in stakeholder priorities with regard to ESG matters, particularly the investor community, and Firmenich's own business, with the acquisition of DRT. We recommend that Firmenich reviews its materiality assessment and engagement in FY22 to reflect this and provides commentary on it in its next report.

Signed for and on behalf of SGS Société Générale de Surveillance SA – Geneva, September 2021


D. Willemin
 Daniel WILLEMIN
 SGS Société Générale de Surveillance SA
 Knowledge – ESG Assurance Solutions

www.sgs.com

Glossary

ABS: Access And Benefit Sharing

AI: Artificial Intelligence

CDP: Carbon Disclosure Project

CEO: Chief Executive Officer

CHF: Swiss Franc

CHRO: Chief Human Resources Officer

CO₂: Carbon Dioxide

CO₂e: a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential

COC: Code Of Conduct

COD: Chemical Oxygen Demand

CQI: Customer Quality Index

CSAQ: Compliance Self-Assessment Questionnaire

CSO: Chief Sustainability Officer

EAWAG: Swiss Federal Institute Of Aquatic Science And Technology

ECETOC: European Center For Ecotoxicology And Toxicology Of Chemicals

EDGE: ECONOMIC DIVIDENDS FOR GENDER EQUALITY

EFFA: EUROPEAN FLAVOR ASSOCIATION

EPFL: ECOLE POLYTECHNIQUE FEDERALE DE LAUSANNE

ERM: ENTERPRISE RISK MANAGEMENT

ESG: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

EU: EUROPEAN UNION

EUR: EURO

FARC: FINANCE AUDIT AND RISK COMMITTEE

FSSC: FOOD SAFETY SYSTEM CERTIFICATION

GAIN: GLOBAL ALLIANCE FOR IMPROVED NUTRITION

GAN: GLOBAL APPRENTICESHIP NETWORK

GCC: GOVERNANCE AND COMPENSATION COMMITTEE

GEC: Global Ethics Committee

GFW: Global Forest Watch

GHG: any of various gaseous compounds (such as carbon dioxide or methane) that absorb infrared radiation, trap heat in the atmosphere, and contribute to the greenhouse effect. Source: Merriam-Webster. CO₂e: a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential;

GJ: Gigajoule

GRI: Global Reporting Initiative

HR: Human Resources

H&S: Health And Safety

HSE: Health, Safety And Environment

HSI: Humane Society International

IEA: International Energy Agency

IFRA: International Fragrance Association

ILMAC: Platform For Chemistry, Pharmacy And Biotechnology

IMS: Institute For Molecular Biology And Applied Ecology

INCLUSIVE BUSINESS MODEL : Inclusive Business Model is about creating long-term value for all stakeholders – our customers, colleagues, shareholders, investors, suppliers, communities and the planet.

IOFI: International Organization Of The Flavors Industry

IPCC: Intergovernmental Panel On Climate Change

ISO: International Organization For Standardization

IUCN: International Union For The Conservation Of Nature

KWH: Kilowatt Hour

L3F: Livelihoods Fund For Family Farming

LGBTQI+: Lesbian, Gay, Bisexual, Transgender, Questioning, Intersex

LPG: Liquefied Petroleum Gas

LTC: Lost-Time Case

MW: Megawatt

MWH: Megawatt Hour

NGOS: Non-Governmental Organizations

OP2B: One Planet Business For Biodiversity

QHSE: Quality, Health, Safety And Environment

R&D: Research And Development

RECS: Renewable Energy Certificates

RIFM: Research Institute For Fragrance Materials

ROSPA: Royal Society For The Prevention Of Accidents

RTS: Radio Television Suisse

SBT : Science-based targets (SBT) provide a defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

SBTI: Science Based Targets Initiatives

SCIENCEINDUSTRIES: Swiss Business Association Chemistry Pharma Life Sciences

SDGS: Sustainable Development Goals

SEDEX: Supplier Ethical Data Exchange

SEP: Supplier Excellence Program

SGS: Societe Generale De Surveillance

SR15: Special Report On Global Warming Of 1.5°

TBC: Toilet Board Coalition

TRC: Total Recordable Case Rate

UEBT: Union For Ethical BioTrade

UN: United Nations

WBCSD: World Business Council For Sustainable Development

WEF: World Economic Forum

WRI: World Resources Institute

WWF: World Wide Fund For Nature

Our Fundamentals

CUSTOMERS

PEOPLE

CREATIVITY

SUSTAINABILITY

LEGACY



We fragrance and flavor our customers' products for our **mutual success**.

- Our customer intimacy is unique as we partner with our customers to transform their ambitions into reality.
- We anticipate consumers' desires, continuously reinventing the world of taste and smell.
- We deliver value through innovative products and services, placing decision-making as close as possible to our customers.

Our people are the heart of our Company. They are recognized for their **passion, talent, and commitment**.

- We strictly maintain the highest levels of personal integrity and ethical behavior.
- We value diversity and create an environment in which each colleague is empowered and encouraged to grow, enabling us to shape our future with confidence and imagination.
- We unite the finest talents and nurture an entrepreneurial team spirit to attain our strategic goals.

Creativity is our **essence**.

- We create fragrances and flavors that inspire moments of pleasure and delight for consumers worldwide.
- We lead our industry in research and innovation, constantly driving incremental and breakthrough winning ideas and technologies.
- We apply our creativity to improve all parts of the business.

Our integrity and sense of individual and collective responsibility ensure our **long-term success**.

- We practice a sustainable business model for the wellbeing of present and future generations.
- We engage all our partners to build a responsible, sustainable, and traceable value chain.
- We strictly comply with all regulatory requirements and strive to achieve the highest international standards on quality, safety, and the environment.

Our **independence** gives us the freedom to control our destiny.

- We are a family-owned company, committed to our independence.
- We take a long-term view of our business.
- We pursue a policy of financial strength, profitable growth, and return on assets.



FirWeb – For more information, please visit <https://www.firmenich.com/>

LinkedIn - <https://www.linkedin.com/company/firmenich/mycompany/>

Instagram - @wearefirmenich

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