



Pathways to Positive

—

# ESG Report 2022

**Firmenich**  
for good, naturally

# Contents

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<b>FIRMENICH AT A GLANCE</b>	<b>3</b>
About Firmenich	4
Statement from our Chairman and our CEO	5
Business highlights: A global leader in the Fragrances and Taste Industry	7
Main 2025 corporate targets	8
ESG 2022 performance highlights	9
Global Reporting Initiative (GRI) report	11

<b>ESG STRATEGY</b>	<b>12</b>
Sustainable value creation model	13
Pathways to Positive: our Environmental, Social and Governance (ESG) strategy	15
Sustainability embedded in our business strategy	16
ESG organization and governance	19
Stakeholder engagement and collective action	20
Sustainability roll-out: Regional deployment	28



## ACTING ON CLIMATE CHANGE

**31**

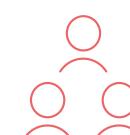
Our climate journey	32
Climate 2025 targets	33
Climate performance overview	34
Reaching carbon neutrality	37
Driving energy efficiency	41
Conserving water	44
Managing waste and circularity	48
Reducing impact in our supply chain	51
Lowering our environmental impact: fragrance and taste solutions	52



## EMBRACING NATURE

**55**

Our nature journey	56
Nature 2025 targets	57
Nature performance overview	58
Setting an enabling environment in operations	60
Innovating thanks to biodiversity	64
Acting for biodiversity in sourcing	66
Delivering nature-friendly products	71



## CARING ABOUT PEOPLE

**74**

Our people journey	75
People 2025 targets	76
People performance overview	77
Putting our colleagues first	79
Enhancing Health & Safety	90
Protecting human rights	95
Walking hand-in-hand with our suppliers	102
Caring about consumers	104
Supporting communities	106

## BUSINESS FOR GOOD

**109**

ESG drivers performance overview	110
Corporate governance	111
Risk Management	115
Business ethics and integrity	118
Product safety, quality, and transparency	119
ESG policies	124

## PERFORMANCE

**125**

Our reporting standards	126
Performance tables FY22	127
2030 Ambitions	139
Pathway to Positive drivers	142
Site certifications FY22	143
GRI content index	145
Independent assurance statement	155
Glossary	156
Our Fundamentals	158

**Family  
owned,  
founded  
in Geneva,  
1895**



# Firmenich at a glance

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About Firmenich	4
Statement from our Chairman and our CEO	5
Business highlights: A global leader in the Fragrances and Taste Industry	7
Main 2025 corporate targets	8
ESG 2022 performance highlights	9
Global Reporting Initiative (GRI) report	11

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# About Firmenich

**CHF 4.7**

BILLION  
REVENUES



**+11.1%**

REVENUE GROWTH  
(ORGANIC BASIS AT  
CONSTANT CURRENCY)

**19.2%**

ADJUSTED EBITDA  
MARGIN



**8.5%**

OF REVENUES INVESTED  
IN R&D



**#1**

CO-LEADER IN PERFUMERY  
& INGREDIENTS<sup>1</sup>



**100+**

MARKETS



**127**

YEARS SWISS AND  
FAMILY-OWNED



**~11,000**

COLLEAGUES



**#1**

FIRST ESG RATING  
PERFORMANCE IN THE  
INDUSTRY<sup>2</sup>



1. Based on Management analysis of competitor results.  
2. Based on FY22 Sustainalytics and EcoVadis ratings.

Firmenich brings together 11,000 passionate people who believe that fragrance and taste can change the world for the better. We are the largest privately-owned fragrance & taste company in the world, specializing in perfumes, taste, and ingredients. Backed by a 127-year heritage of purpose-led scientific discovery and world-class creativity, we create emotions through the sense of taste and smell. Firmenich offers its customers a broad and high-quality palette of ingredients manufactured by sustainable routes such as biotechnology, proprietary delivery system and added benefits technologies, and superior innovation in creation enabled by sensory science and digital tools.

The Group operates 46 manufacturing plants and six R&D centers around the world and is present in more than 100 markets. We reach over 4 billion consumers several times a day, from their shampoo and breakfast cereals in the morning, through their home care products, to their fine fragrances when they go out in the evening.

As the initial foundation of our lasting success, our Perfumery and Ingredients business has built the richest portfolio of naturals, synthetics, biotech, biodegradable and renewable ingredients and a track record of innovation. Firmenich is reinventing consumer and fine fragrance in the era of Positive Perfumery with a

leading palette of sustainable ingredients and solutions, combining the creativity of award-winning perfumers with the power of AI.

Through our Taste & Beyond business we create flavorful experiences for the world's favorite household brands. Firmenich is accelerating diet transformation, helping to create healthier, great-tasting, affordable food and beverages with more natural and sustainable ingredients to enhance well-being.

Today, our global Research & Development capability places us at the cutting edge of innovation, driving discovery for wellness, digital transformation, the circular economy, and harnessing natural solutions for sustainability.

Firmenich delivered CHF 4.7 billion of sales in FY22 with an adjusted EBITDA margin of 19.2%. The Group continued to raise the standard for responsible business practice. Sustainability is explicitly anchored in the Firmenich Fundamentals that inform our business values and, as such, is a core driver of our strategy and business growth. We are one of only two companies worldwide to be rated triple A by CDP for environmental performance for four consecutive years and have been assessed as an Industry Leader and overall Global top 50 company by Sustainalytics. Learn more about Firmenich at: [www.Firmenich.com/OurCompany](http://www.Firmenich.com/OurCompany)

# Statement from our Chairman and our CEO

At Firmenich, we cherish our legacy and our purpose, and are acutely aware that they are core foundations for further progress in sustainability. We believe that their value has rarely been demonstrated as strongly as during Fiscal Year 2022.



Firmenich is proud to have stepped up its industry-leading Environmental, Social and Governance (ESG) performance in FY22 and pursued investments in its future goals despite challenges in the global macroeconomic climate and supply chain environment. Simultaneously, we have delivered record revenue growth and robust profitability across the business.

Our sustainability ambition has not wavered. We take great pride in our recognized ESG action, operating with sustainability at the heart of our decision-making throughout the business. As a family-owned company, our ESG strategy, Pathways to Positive, is not only an inspirational vision driven by our passion, purpose and values: it is a vital investment for the future that generates sustainable value for our stakeholders. We're pleased to detail our progress on transparent targets in 2025, leading to our pace-setting objectives for climate, nature and people in 2030.

Patrick  
Firmenich

## GENERATING CUSTOMER VALUE

Furthermore, reinforcing the market trends we have identified in recent years, we have first-hand insight into how fast our customers' requirements for sustainable ingredients are evolving. As we continue to strive for best-in-class sustainability and transparency across our own palette, processes and value chain, we are also acutely aware that developments in our ESG credentials count for our customers' supply chains and products.

We aim to lead our industry in Conscious Perfumery, targeting the delivery of renewable and biodegradable fragrances with lower carbon footprints, as well as in Diet Transformation, through our innovation in sugar and salt reduction solutions and for plant-based diets. Our ambition is founded on our leadership in Naturals and in Renewable Ingredients, our strong vertical integration and our innovation, and our independently verified ESG track record. These are all essential assets for retaining and attracting customers as they progress with their own sustainability roadmaps.

## RECOGNIZED WORLD-CLASS PERFORMANCE

We are proud to be one of only two companies in the world to receive a triple "A" rating from CDP, in Climate Change, Water and Forestry management, maintaining this performance for the fourth

#1

ESG RATING PERFORMANCE IN THE INDUSTRY<sup>1</sup>

1. Based on FY22 Sustainalytics and EcoVadis ratings.

year in a row. After being rated for the first time by Sustainalytics, our score was further improved to 7.5, highlighting our low ESG risk profile and placing us in the top percentile of companies rated worldwide. We were recognized for the first time as one of the 2022 World's Most Ethical Companies by Ethisphere®, a global leader in defining and advancing the standards of ethical business practices. This is the beating heart of one of our fundamental values, sustainability. For climate action, in FY22 we continued to make progress towards absolute carbon emissions reductions and to ensure that our operations remain powered by 100% renewable electricity.

In nature, having gone beyond our target for 95% ultimately or partially biodegradable ingredients in our fragrances, we are working at pace on transforming our full palette.

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.



127

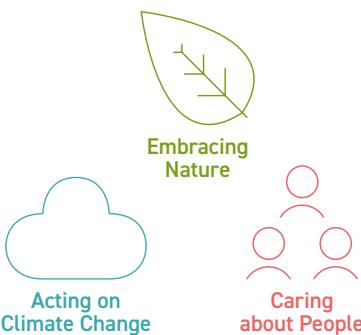
YEARS FAMILY-OWNED  
COMPANY

We deal with the global impact of the war in Ukraine, our thoughts are with the people there. We have been supporting humanitarian relief, and we continue to ensure the safety and well-being of our colleagues in the region. At Firmenich, we join all those who are calling for an end to the violence.

Furthermore, we have achieved global Living Wage certification ahead of target, as we continually nurture our most valuable asset, human capital. Throughout our value chain, people are instrumental in our business and ESG success. We remain deeply thankful to our 11,000 colleagues worldwide, the backbone of our creativity and innovation, and passionate champions of sustainability, who have ensured reliable service to our customers through every set of new challenges.

## ALLIANCES EMPOWER GLOBAL SOLUTIONS

In steering this course, the UN Sustainable Development Goals (SDGs) are a compass that guides our action. As members of the UN Global Compact (UNGC), this report also supports our implemen-



tation of the UNGC's Ten Principles in the areas of human rights, labor, the environment and anti-corruption. In an era of global challenges, it's an invaluable partnership. In FY22, we have further scaled up our commitments by becoming United Nations Global Compact Impact Sponsor for Labour and Decent Work in order to build consensus in the business community on key principles of decent work.

Our early membership of the Business Ambition for 1.5°C coalition further demonstrates the value of alliances in amplifying progress on climate action. In a similar manner, we are working closely with other stakeholders on global benchmarks for biodiversity and Science-Based Targets for Nature. These are essential to drive concerted global action to halt and reverse nature loss.

## SUSTAINABLE VALUE AND PURPOSE

Furthermore, strong sustainability governance is essential. In FY22, following the implementation of ESG criteria in our Senior Leaders' incentive plan, we have taken further steps at Board level by setting up a Governance and Sustainability Committee as well as a Human Capital Committee.

By reinforcing business for good as a distinctive thrust of our ESG strategy, we are ensuring the integration of sustainable value in our financial decision-making, at the intersection of the economic, environmental and social dimensions of our business. Our focus on well-being for people and planet is providing strong competitive advantages in capturing growth opportunities. We are delivering solutions to our customers to solve global challenges. And we are upholding what we

hold dear, our purpose as creators of emotions through the senses of taste and smell, to enhance well-being naturally for people, planet and society.

We warmly thank all our colleagues and our customers for their support through a difficult year. In outlining our vision at the end of FY22, we do not underestimate the unpredictable and transformational nature of the fast-moving shifts underway in our economic and operating environment, as well as the growing pattern of climate extremes, and their potential adverse impact. That is also why we believe that strong and measurable ESG performance, driven by ambitious targets, is essential in helping to build resilience, manage risk, and to be better equipped for the challenges ahead.

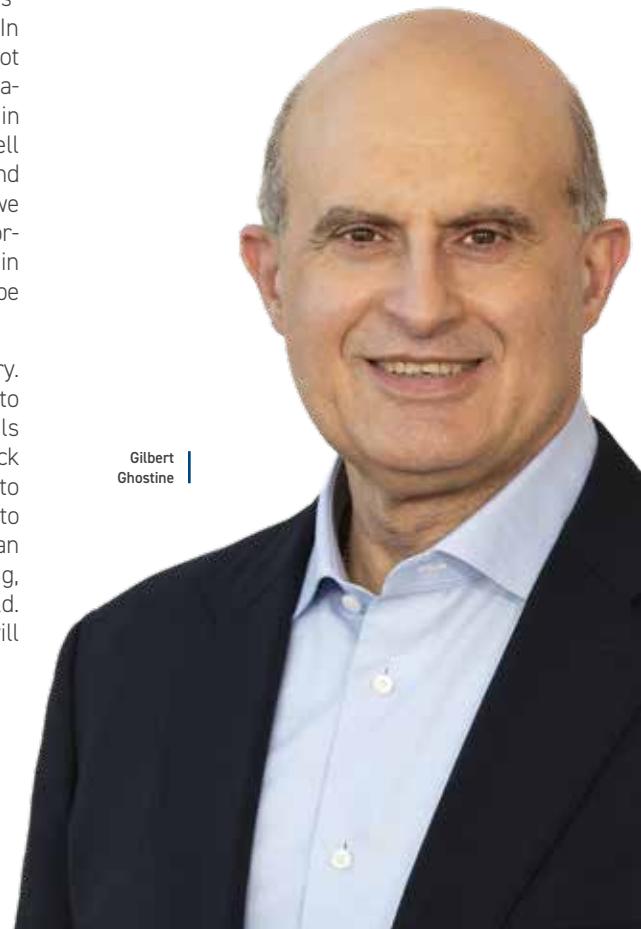
This year we opened a new chapter in our history. On 31 May 2022, we announced our intention to merge with DSM. This will be a merger of equals between two iconic companies, both with a track record of growth and a shared commitment to positively impact people and the planet. Subject to closing, the new group DSM-Firmenich, will be an industry leader in nutrition, beauty and well-being, that will continuously innovate for a better world. Through this merger, the legacy of Firmenich will carry on proudly into the future.

PATRICK  
FIRMENICH,  
Chairman of the  
Board

*Patrick Firmenich.*

GILBERT  
GHOSTINE,  
Chief Executive  
Officer

Gilbert  
Ghostine



# Business highlights: A global leader in the Fragrances and Taste Industry

## Perfumery & Ingredients

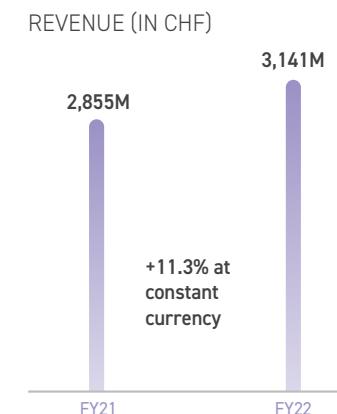
Perfumery & Ingredients delivered double-digit revenue growth<sup>1</sup>, driven by record results in Fine Fragrance and Ingredients, while Consumer Fragrances delivered resilient performance despite industry-wide softness.



**#1**  
IN PERFUMERY &  
INGREDIENTS



**67%**  
OF REVENUE



1. Revenue growth comparisons are made on an organic basis at constant currency, versus the same period in the prior year.

## Taste & Beyond

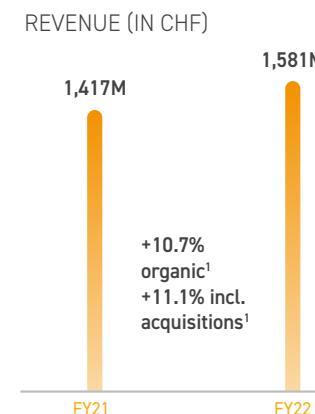
Taste & Beyond confirmed its strong track record of industry leading growth increasing both volume and revenue by double digits<sup>1</sup> on the back of strong customer demand. Taste & Beyond continued to gain market share while adapting to a challenging macro-environment.



**#3**  
IN TASTE & BEYOND



**33%**  
OF REVENUE



# Main 2025 corporate targets

## SUSTAINABLE BUSINESS

#1

in Conscious Perfumery  
in Diet Transformation  
in Renewable Ingredients

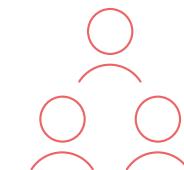
## STRATEGIC PILLARS



### Acting on Climate Change



### Embracing Nature



### Caring about People

## TARGETS

**Carbon  
Neutral**  
IN OUR DIRECT  
OPERATIONS

**-8%**  
GHG EMISSIONS  
SCOPE 3 VS. 2021

**100%**  
UEBT<sup>1</sup> VALIDATED  
BIODIVERSITY STRATEGY

**100%**  
ABS<sup>2</sup> DUE DILIGENCE  
SYSTEM EXTERNALLY  
VERIFIED

**100%**  
OF EMPLOYEES  
TRAINED ON BIAS AND  
BELONGING PRINCIPLES

**55%**  
OF SENIOR LEADERS  
ARE DIVERSE<sup>3</sup>

**100%**  
PLASTIC PACKAGING  
FULLY RECYCLABLE OR  
REUSABLE

**Zero**  
WASTE TO LANDFILL

**High vitality  
of R&D  
Pipeline**  
DECREASING PRESSURE  
ON THREATENED NATURAL  
RESOURCES

OPERATE WITH  
**Green  
Chemistry  
Principles**

**Safety**  
ACHIEVING A TOTAL  
RECORDABLE CASE RATE  
BELOW 0.20

**NO**  
ETHNIC PAY GAP AND  
ENGAGEMENT GAP

## DRIVERS



**IMPACTFUL  
SCIENCE**



**RESPONSIBLE  
SOURCING**



**BUSINESS  
ETHICS**



**DIGITAL  
ACCELERATION**

1. Union for Ethical BioTrade.

2. Access and Benefit Sharing.

3. 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.

# ESG 2022 performance highlights



## Acting on Climate Change

### PERFORMANCE

**100%**

RENEWABLE ELECTRICITY  
INCL. IN ALL ACQUISITIONS

**3**

MANUFACTURING SITES  
CARBON NEUTRAL

**25**

BIODIVERSITY PERMITS

**0.74**

HECTARES UNDER  
RESTORATION ACTIVITIES

**NO**

GENDER PAY GAP

**100%**

LIVING WAGE  
CERTIFIED COMPANY

**36.1%**

REDUCTION IN SCOPE 1 & 2  
CO<sub>2</sub>E EMISSIONS VS. FY17

**-7.7% GJ**

OF TOTAL ENERGY USED PER  
TONNE PRODUCED VS. FY21

**96.6%**

ULTIMATELY OR PARTIALLY  
BIODEGRADABLE  
INGREDIENTS IN OUR  
FRAGRANCE PORTFOLIO

**x2**

TYPES OF PLANT-BASED  
PROTEINS USED

**0**

HUMAN RIGHTS NON-  
COMPLIANCE IN OUR  
OPERATIONS

**0.26**

TOTAL RECORDABLE  
CASE (TRC) RATE

### SUSTAINABLE DEVELOPMENT GOALS



### ASSESSMENTS



1 OF 2 COMPANIES WORLDWIDE  
TRIPLE A FOR 4 CONSECUTIVE YEARS



UEBT MEMBER AT  
GLOBAL LEVEL



RECOGNIZED BY ETHISPHHERE® AS ONE OF THE  
WORLD'S MOST ETHICAL COMPANIES (2022)



GLOBAL EDGE CERTIFICATION FOR GENDER EQUALITY  
IN THE WORKPLACE, UPGRADED TO "MOVE" STATUS

### RATINGS



ESG RISK RATING SCORE: 7.5  
TOP 1% OF 14,000 + COMPANIES RATED  
1<sup>ST</sup> IN OUR INDUSTRY



TOP 1% OF 90,000+ COMPANIES  
SCORE: 88/100

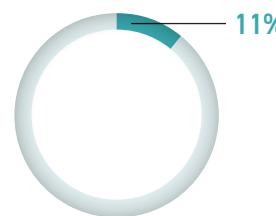
1. Scope 3 emissions from purchased goods and services

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

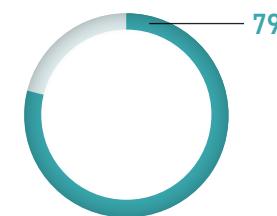
## ESG 2025 TARGETS BREAKDOWN BY PILLAR AND PERFORMANCE STATUS



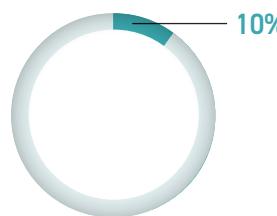
ABOVE



ON TRACK

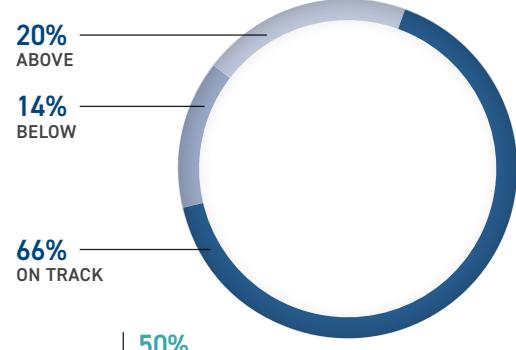


BELOW



Acting on  
Climate Change

2025 ESG TARGETS BREAKDOWN  
BY PERFORMANCE STATUS

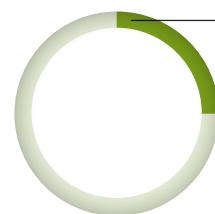


2021  
ESG TARGETS LAUNCH      2025

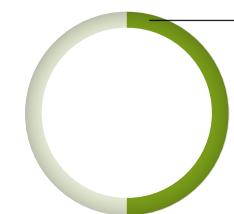


Embracing  
Nature

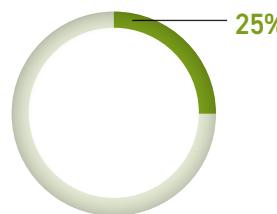
25%



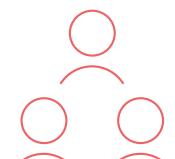
50%



25%

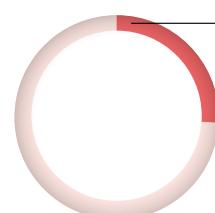


2021  
ESG TARGETS LAUNCH      2025

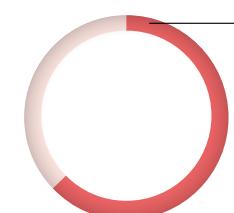


Caring  
about People

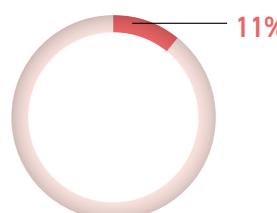
26%



63%



11%



2021  
ESG TARGETS LAUNCH      2025

# Global Reporting Initiative (GRI) report

Our sustainability performance and initiatives are reported on a fiscal year basis. In this report, all references to "FY22" relate to the 12 months ending 30 June, 2022 except for environmental data. The latter are based on the adjusted period (1 April 2021 – 31 March 2022).

Our ESG report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core option).

Société Générale de Surveillance (SGS) – verified our report to ensure that information, data and examples are accurate. This level of verification helps us to ensure that we report only the facts and that we are protected from falsehoods and misinformation, whether intentional or unintentional.

## EXAMPLE PAGE IN GRI FORMAT

GRI Standard references are available below section titles

## GRI CONTENT INDEX

FIRMENICH AT A GLANCE	ESG STRATEGY	ACTING ON CLIMATE CHANGE	EMBRACING NATURE	CARING ABOUT PEOPLE	BUSINESS FOR GOOD	PERFORMANCE	148 FIRMENICH REPORT 2022
<b>Acting on Climate Change</b>							
<b>CHAPTER AND PAGE NUMBER</b>							
<b>GRI NUMBER</b>	<b>GRI DEFINITION</b>	<b>CLIMATE CHANGE INFORMATION - DIRECT CONTRIBUTION TO CLIMATE CHANGE - INDIRECT CONTRIBUTION TO CLIMATE CHANGE (SCOPES 1-3)</b>					
<b>MATERIAL TOPIC</b>		<b>BUSINESS DRIVER</b>					
101-1	Explanation of the material topic and its boundary	Pages 33-35					
101-2	The management approach and its components	Pages 34-37					
101-3	Evaluation of the management approach	Page 42					
301-1	Energy consumption within the organization	Pages 41-42 Performance table page 128					
301-2	Energy consumption outside of the organization	Page 42					
301-3	Energy intensity	Pages 34-41 Performance table page 128					
301-4	Reduction of energy consumption	Page 34					
301-5	Reduction in energy requirements of products and services	Page 34 Performance table page 129					
301-6	Direct (Scope 1) GHG emissions	Page 34 Performance table page 129					
301-7	Energy indirect (Scope 2) GHG emissions	Page 34 Performance table page 129					
301-8	Other indirect (Scope 3) GHG emissions	Page 34 Performance table page 129					
301-9	GHG emissions intensity	Page 34 Performance table page 129					
301-10	Prediction of GHG emissions	Page 37 Performance table page 129					
301-11	Wenger oxide (WO <sub>3</sub> ), sulfur dioxide (SO <sub>2</sub> ), and other significant air emissions	Performance table page 129					
<b>WATER MANAGEMENT</b>							
<b>GRI NUMBER</b>	<b>GRI DEFINITION</b>	<b>BUSINESS DRIVER</b>					
<b>MATERIAL TOPIC</b>		<b>CHAPTER AND PAGE NUMBER</b>					
101-1	Explanation of the material topic and its boundary	Pages 44-45					
101-2	The management approach and its components	Pages 44-45					
101-3	Evaluation of the management approach	Pages 44-45					
301-1	Interaction with water as a shared resource	Pages 44-45					
301-2	Management of water discharge-related impacts	Pages 44-45					
301-3	Water withdrawal	Page 46 Performance table page 129					
301-4	Water discharge	Page 46 Performance table page 129					
301-5	Water consumption	Page 46					

Find our full GRI index in the [Performance chapter](#).

## BOUNDARIES OF THE REPORT

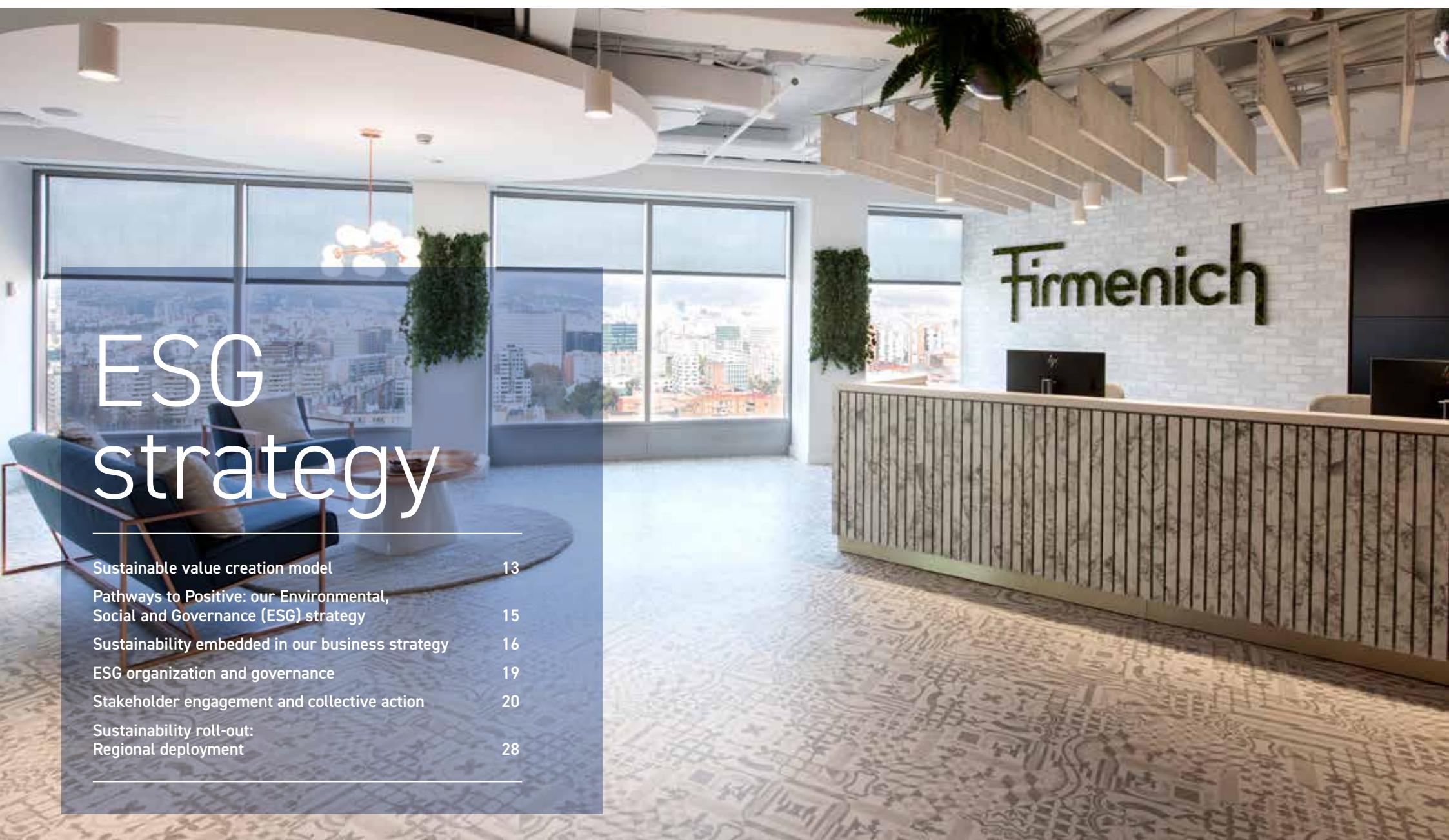
Our ESG report Fiscal Year 2022 (FY22) scope is based on our materiality analysis. This document covers the global operations of the Firmenich Group, including both manufacturing and non-manufacturing sites. Firmenich moved to majority ownership of ArtSci in May 2022. This entity is not included in the scope of the report and will be integrated gradually in our ESG framework in FY23.

## DISCLAIMER

This Environmental, Social and Governance (ESG) Report contains forward-looking statements related to Firmenich International SA (the "Company") and its future business, financial and ESG performance and future events or developments, including statements regarding: trends; plans, strategies, targets, and objectives of management; anticipated sustainability performance, production; capital costs and scheduling; operational and supply chain issues; provisions and contingent liabilities; and regulatory developments. Forward-looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualized' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements. Forward-looking statements are based on management's current estimates and expectations. These forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based. Nothing in this presentation should be construed as either an offer to sell, or a solicitation of an offer, to buy or sell securities in any jurisdiction, or be treated or relied upon as a recommendation or advice by the Company.

# ESG strategy

Sustainable value creation model	13
Pathways to Positive: our Environmental, Social and Governance (ESG) strategy	15
Sustainability embedded in our business strategy	16
ESG organization and governance	19
Stakeholder engagement and collective action	20
Sustainability roll-out: Regional deployment	28



# Sustainable value creation model

As a leading responsible family company, driving an inclusive business model has always been our priority. We strive to create value for all our stakeholders today and for the generations to come through our business and all along our value chain.

At the core of our sustainable value creation model, we aspire to become the leader in Conscious Perfumery, Diet Transformation and Renewable Ingredients, all of which are essential to generate positive impacts on climate change, nature regeneration and people protection. As a recognized leader in sustainability, we seek comprehensive value that generates economic, social, and environmental benefits.

Our strategy is grounded in the 17 Sustainable Development Goals (SDGs) that we use as our beacon for 2030. We embrace all the SDGs but we can make an impactful contribution essentially to 10 of them.

Learn more at [www.Firmenich.com/sustainability](http://www.Firmenich.com/sustainability)



GRI 103-1 • 201-2

## Capital inputs: our strengths

### Financial robustness and investment

- 207 million CHF net investments
- 8.5% of revenues invested in R&D
- 1.6 billion CHF net debt

### Manufacturing and innovation capacities

- 46 manufacturing plants
- 6 research & development centres
- A unique catalogue of natural and renewable products

### Human and intellectual assets

- 11,000 employees, 108 nationalities
- 41% of women
- 14.6 mil CHF invested in health and safety projects

### Social culture

- Inclusive Capitalism approach
- Highest international governance and ethical standards
- Extensive set of external partnerships

### Natural consumption

- Raw materials: integrated science-based impact measurement tools designed to assess our products' environmental impact
- Utilities: natural gas, water, by-products, etc.

## Our Purpose For Good, Naturally

### Natural raw material extraction

### Our Vision Putting Firmenich's world-class research and capabilities to work, we always seek to create value for all our stakeholders

Acting on Climate Change -  
Embracing Nature - Caring about People

### New molecules product creation

## Our Business

Conscious Perfumery  
Diet Transformation  
Renewable Ingredients

### Our Purpose For Good, Naturally

Acting on Climate Change -  
Embracing Nature - Caring about People

### New molecules product creation

## Our Business

Conscious Perfumery  
Diet Transformation  
Renewable Ingredients

## Value outcomes: our contribution

### Driving long term value for all STAKEHOLDERS

- 4.7 billion CHF revenues
- +11.1% organic revenues
- 19.2% adjusted EBITDA margin

### Serving our CUSTOMERS

- 0 end product recall due to Firmenich products
- 0 customer food protection non-conformance
- 99.9% of sales orders delivered defect-free product

### Creating an inspiring, diverse and safe workplace for all our EMPLOYEES

- No gender pay gap, 100% living wage
- Continuous development of our employees: 15,281 training hours
- Best in class LTIR 0.26

### Contribution to stable, resilient SOCIETIES

- 5 projects at source
- +30 community projects in 2022
- Encouraging suppliers to follow best practices in sustainability (EcoVadis, CDP, etc.)

### Contributing to NATURAL capital preservation

- 96.6% of our ingredients are ultimately or partially biodegradable (fragrance portfolio)
- SmartProteins: reduced environmental footprint with less CO<sub>2</sub> (-2.3 mil. t.CO<sub>2</sub>e) less water (-167 mil. m<sup>3</sup> water)

# Pathways to Positive: our Environmental, Social and Governance (ESG) strategy

In 2021, we set our ESG 2030 ambitions and intermediate 2025 targets to measure our progress against tangible milestones.

Pathways to Positive, our ESG strategy, focuses on three ways in which we can make the biggest difference: Acting on Climate Change, Embracing Nature and Caring about People. It guides our journey to becoming a leader in Conscious Perfumery, Diet Transformation and Renewable Ingredients. Consistent with our ESG priorities, this approach is aligned with the United Nations Sustainable Development Goals (SDGs).

Learn more at [www.Firmenich.com/ESGStrategy](http://www.Firmenich.com/ESGStrategy)



Our ambitions and actions are further powered by strategic drivers: Impactful Science, Responsible Sourcing, Business Ethics, and Digital Transformation.

In FY22, we have raised the bar for our stakeholder engagement to reflect on the importance of collective action to achieve our ambitions. The challenges facing our world are such that we cannot succeed alone. We work closely with our sup-

pliers, our customers, and a wide range of partners to scale up our impact. We notably interact with the United Nations, business coalitions and various non-governmental organizations. We also continue to engage with all our colleagues to make sure they integrate our sustainability goals in their daily decisions and performance objectives.

This ESG performance report covers our FY22 activities and performance.

# Sustainability embedded in our business strategy

## #1 in Conscious Perfumery

At Firmenich we continue to push forward our vision for Conscious Perfumery with a clear direction addressing positive impacts for all stakeholders throughout our value chain : our people who want to make a difference, consumers seeking fragrances to enhance well-being, our customers, the communities we serve, as well as nature and the planet.

Our main target is to deliver fragrances with the lowest carbon footprint possible and from the highest biodegradable category, without compromising on consumer pleasure.

To help us on this journey, we further developed CreateForGood™, our design process for Conscious Perfumery. Based on extensive consumer understanding and creative know-how, this program guides our customers to compose fragrances which are both sensorial and eco-friendly.

Also, we have strengthened the capabilities of our integrated science-based impact measurement tool, EcoScent Compass™. We have added sustainability data points to enhance transparency and to support our customers' claims. Today, this life cycle analysis (LCA) tool evaluates the impact of our fragrances and guides our creation towards more sustainability.

Our new Conscious Perfumery collection of fragrances combines the best of nature and science, and uses our sustainable palette of renewable, biodegradable and responsibly sourced ingredients. In June 2022, we launched the Circular Fragrance Collection, a unique set of fragrances created only with upcycled ingredients. From unsold jasmine flowers and damaged cardamom pods to a new generation of upcycled musks and unique marine molecules, each is given a new life.

POWERED BY CREATEFORGOOD™ & ECOSCENT COMPASS™

Learn more about Conscious Perfumery on our website: [www.Firmenich.com/ConsciousPerfumery](http://www.Firmenich.com/ConsciousPerfumery)

### OUR 2025 TARGETS



#### Acting on Climate Change

33%

OF RENEWABLE (ISO  
16128) OR UPCYCLED  
CARBON CONTENT IN OUR  
FRAGRANCE PORTFOLIO

100%

OF FRAGRANCE  
PRODUCTS ANALYZED FOR  
ENVIRONMENTAL IMPACT



#### Embracing Nature

>95%

ULTIMATELY OR PARTIALLY  
BIODEGRADABLE  
INGREDIENTS IN OUR  
FRAGRANCE PORTFOLIO

>40%

OF OUR POPSCENT®  
ENCAPSULATED TECHNOLOGY  
SALES TRANSITIONED TO  
THE NEWEST, ULTIMATELY  
BIODEGRADABLE POPSCENT® ECO



#### Caring about People

100%

COMPLIANCE MAINTAINED  
WITH IFRA STANDARDS

EMBRACE  
TRANSPARENCY  
WITH DISCLOSURE OF  
INGREDIENTS DOWN TO

900/100 PPM

# #1 in Diet Transformation

Firmenich is committed to accelerating the global Diet Transformation by providing sustainable and responsible solutions to create healthier, great-tasting food and beverages. Therefore, we are expanding the nature-based ingredients within our portfolio, along with strict sustainable sourcing standards and strong involvement in "projects at source" with our suppliers.

We are constantly innovating to derive the best from natural resources sustainably. Transparency and traceability are enabled by our digital tools, such as EcoFood Compass™. We aim to reach 80% of nature-based ingredients in our total Taste & Beyond sales by 2025. We are also contributing to diet transformation through better nutrition. Our state-of-the-art innovation and creation expertise allows us to provide solutions for healthier food

which tastes great. These solutions enable less sugar and salt, and support the immune system to sustain inner well-being and microbiome balance.

Finally, we innovate to create superior plant-based proteins. To replace animal-based products, our SmartProteins® continuous innovation program enables the development of superior plant-based alternatives with integrated solutions in aroma, taste, texture and nutrition. These solutions help accelerate the plant-based revolution and contribute to reduced water usage and climate change mitigation. We collaborate with our stakeholders to ensure the success of meat & dairy analog products. We are working on reducing the environmental impact of animal farming and promoting better soil health and biodiversity restoration through regenerative agriculture.

## POWERED BY ECOFOOD COMPASS™

Learn more about Diet Transformation on our website: [www.Firmenich.com/DietTransformation](http://www.Firmenich.com/DietTransformation)

## OUR 2025 TARGETS



### Acting on Climate Change

100%

OF FLAVOR PRODUCTS  
ANALYZED FOR  
ENVIRONMENTAL IMPACT

3.3 MILLION TCO<sub>2</sub>E  
215 MILLION M<sup>3</sup>

OUR SMARTPROTEINS® WILL  
HELP REDUCE 3.3 MILLION TONNES  
OF CO<sub>2</sub>E EMISSIONS, SAVE 215  
MILLION M<sup>3</sup> OF WATER/YEAR



### Embracing Nature

CONTRIBUTE TO THE  
global diet

TRANSFORMATION  
WITH OUR GREEN  
PROTEINS ACCELERATING  
REGENERATIVE AGRICULTURE

>75%

OF NATURE-BASED  
INGREDIENTS IN OUR  
TOTAL SALES



### Caring about People

2.0 TRILLION CALORIES

REDUCE CALORIES FROM SUGAR IN  
PEOPLE'S DIET BY UP TO 2.0 TRILLION  
CALORIES (170% REDUCTION VS 2020)

# #1 in Renewable Ingredients

Firmenich delivers high-performance, renewable, biodegradable and responsibly sourced ingredients that delight consumers. Our ambition is to reinforce our position as the number one company in renewable ingredients.

We are accelerating our innovation to radically increase renewable ingredients and convert our palette to renewable carbon, by applying green chemistry principles and developing biotechnology. Our GreenGate® innovation platform ensures that our new ingredients have a low environmental impact in terms of biodegradability, non-bio-accumulation and non-toxicity for aquatic organisms. The Sylvergreen™ platform is dedicated to increasing renewable carbon content in our best-in-class palette. We now also bring new capabilities through the Active Circle renewable ingredients that aim to contribute to a circular economy, with products made from bio-based and upcycled materials for health and nutrition and for industry applications.

We are dedicated to operating the most traceable, sustainable, and ethical value chain in the industry, from farmers to the final product, through our Naturals Together™ platform. With our suppliers, we are implementing a responsible and transparent supply chain, in accordance with our Responsible Sourcing Policy. We are also actively engaged in local strategic partnerships to enable a positive and measurable impact on climate, nature and people.

Our unique innovation platforms and our biorefinery capabilities give us the highest level of renewable ingredients in the industry. We are well positioned to redefine the future of ingredients, as we make progress towards our target: manufacturing 70% of Firmenich perfumery and taste ingredients from renewable carbon sources by 2030.

## POWERED BY ECOINGREDIENTS COMPASS™

Learn more about Renewable Ingredients on our website: [www.Firmenich.com/Ingredients](http://www.Firmenich.com/Ingredients)

1. Find more information in chapter 4, under section "[Monitoring risks to biodiversity and the environment](#)".

## OUR 2025 TARGETS



### Acting on Climate Change

75%

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

80%

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



### Embracing Nature

10

NEW PROJECTS AT SOURCE  
INCLUDING A FOCUS ON  
FARMING PRACTICES,  
BIODIVERSITY  
CONSERVATION AND  
WATER MANAGEMENT

100%

OF OUR NATURAL  
SOURCING INTEGRATING  
BIODIVERSITY IN RISK  
MANAGEMENT, INCL. LAND  
CONVERSION<sup>1</sup>



### Caring about People

100

MAJOR SUPPLIERS  
TRAINED ON HUMAN  
RIGHTS AND RESPONSIBLE  
SOURCING

10

NEW PROJECTS AT SOURCE  
INCLUDING FOCUS ON WOMEN'S  
EMPOWERMENT, EDUCATION,  
HUMAN RIGHTS PRACTICES AND  
LIVING WAGES

# ESG organization and governance

GRI 102-20 • 102-31 • 102-32

Firmenich's ESG strategy is defined and monitored at Board level and rolled out at operational level through dedicated and transversal committees.

As a cornerstone of the Group's approach to business, this strategy is managed at the highest level. In 2022, to support the Group in achieving its ambitions, Firmenich set up two additional new Board-level committees, the Governance and Sustainability Committee and the Human Capital Committee.

- The **Governance and Sustainability Committee** oversees Firmenich's ESG strategy. It defines metrics and reporting standards and monitors the company's ESG performance against its 2025 targets and 2030 ambitions.
- The **Human Capital Committee** is responsible for compensation and nominations. It also regularly reviews the Group's human capital, diversity and inclusion performance, and ensures that Firmenich meets its 2030 ambitions in this domain.
- In addition, the existing **Finance, Audit and Risk Committee** is responsible for reviewing the credibility of the reported ESG metrics.

## BOARD COMMITTEES

GOVERNANCE &  
SUSTAINABILITY  
COMMITTEE

HUMAN CAPITAL  
COMMITTEE

FINANCE,  
AUDIT AND RISK  
COMMITTEE

## OPERATIONAL COMMITTEES

BIODIVERSITY  
COMMITTEE

DRT  
COMMITTEE  
FRANCE

CSR  
COMMITTEE  
INDIA

ENVIRONMENTAL  
INTEREST GROUP  
(EIG)

INCLUSION,  
DIVERSITY &  
BELONGING  
COUNCIL

RESPONSIBLE  
PROCUREMENT  
COMMITTEE

# Stakeholder engagement and collective action

GRI 102-12 • 102-13 • 102-40 • 102-42 • 102-43 • 102-44 • 102-47 • 201-2

At Firmenich, we are convinced that our sustainability ambitions can only be achieved through collaboration and dialogue. This is why stakeholder engagement is a pillar of our inclusive business model.

We have a broad and diverse group of stakeholders. They include our customers, suppliers, employees, shareholders and investors, as well as consumers, civil society organizations, and the communities where we source and operate.

Stakeholder engagement is nourished and generates long-term relationships. Working with and consulting our stakeholders also helps us to place sustainability as a priority in every facet of our growth strategy and business decision-making.

In FY22, we further enhanced our approach to Inclusive Capitalism. We ramped up our stakeholders approach, enabling them to play a positive role in shaping and implementing our inclusive business model.



## IN FY22

WE BECAME  
**Impact Sponsor**  
OF THE UNITED NATIONS DECENT WORK  
PLATFORM

New ESG  
MATERIALITY WITH BEST-IN-  
CLASS METHODOLOGY

# Materiality analysis

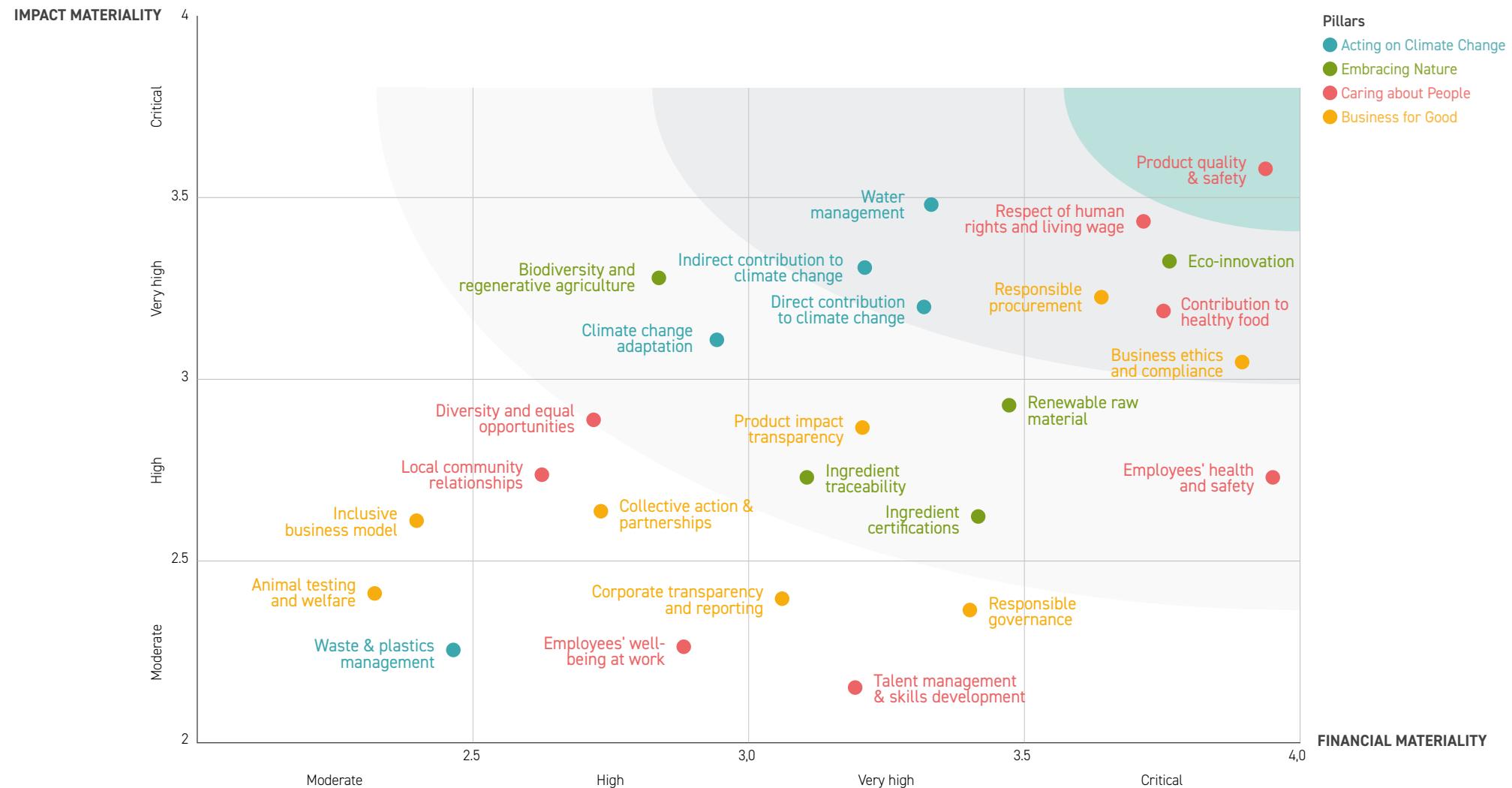
Sustainability challenges are constantly evolving. Firmenich's ESG strategy relies on a regularly updated materiality analysis to stay ahead of the curve in this shifting environment. This comprehensive picture identifies the economic, environmental, social, and governance issues which matter most to our business and to our stakeholders. Materiality analysis pinpoints the most critical sustainability risks and opportunities for our business from two perspectives: their relevance and impact for our stakeholders and their potential impact for our business. They guide us to determine our sustainability priorities, and to adjust our goals and performance indicators in line with up-to-date sustainability issues and with our stakeholders' expectations and concerns. In addition, the consultation process is a valuable tool to engage our colleagues, customers, and suppliers on our sustainability journey by including them in defining its future direction.

In FY22, our materiality analysis gathered detailed feedback from internal and external stakeholders, through one-on-one interviews and an online survey. Respondents were selected to accurately reflect the diversity of our Group, our supply chain, and our partnerships. We consulted a cross-section of employees from every division, business unit, and region. Similarly, we conducted interviews with a representative sample of suppliers and customers from different industries, regions, and business types, as well as with investors, local authorities, and international organizations. Our materiality approach is comprehensively based on best-in-class standards, including those set by the Global Reporting Initiative (GRI).

This year, we have also expanded this approach by adopting the concept of double materiality. In doing so, we identified potential or actual impacts of ESG-related risks and opportunities on the performance of our company, indicated as "financial materiality" and, referring to the impact of the company's activities on external stakeholders related to ESG topics, labeled as "impact materiality". The lens that double materiality provides is essential for evaluation of how to take appropriate action and respond to change.

Finally, our analysis is cross-checked with the material aspects and prioritization criteria listed in the SASB Materiality Map® and we disclose information on all the dimensions and general issue categories listed in the SASB Chemicals Sustainability Accounting Standard.





# Collective action

## PARTNERSHIPS

Collaborative action is the only way to consolidate impact and drive positive change at a global scale. While we endeavor to maximize our Group's individual action for climate, nature and people and its effectiveness, we are acutely conscious of the size

and scope of global ESG challenges. Therefore, Firmenich considers partnerships as a fundamental component of its business model and engages in the highest level of collaboration.

We define partnerships as a collaboration structured by a formal agreement and made of contributions –financial or other – and deliverables owed by each partner. Firmenich's contribution to partnerships consists of a governance role or a sharing of expertise.

	START DATE	GOVERNANCE ROLE	FINANCIAL CONTRIBUTION	IN-KIND CONTRIBUTION
UN GLOBAL COMPACT NETWORK SWITZERLAND	2011	✓	✓	✓
CSR JUICE	2015	✓	✓	
ONE PLANET BUSINESS FOR BIODIVERSITY	2019	✓		✓
SWISS FOOD AND NUTRITION VALLEY	2020	✓	✓	✓
INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE	2020		✓	
SWISS TRIPLE IMPACT	2020	✓		✓
UNITED NATIONS GLOBAL COMPACT DECENT WORK	2022		✓	✓



“

Our partnership heritage is firmly rooted in the belief that close collaboration is the only way to drive positive change at scale. We consider collaboration with our stakeholders as integral to our inclusive business model. This is for us a fundamental way to learn, raise the bar and achieve our ESG ambitions.

THOMAS ANDRO, SENIOR DIRECTOR SUSTAINABLE DEVELOPMENT

## MEMBERSHIPS

Firmenich is a member of industry associations and advocacy organizations committed to advancing strategic topics directly related to our three ESG streams: Acting on Climate Change, Embracing Nature, and Caring about People. We are active in these bodies at both the international level and the national level in countries where we operate. A representative selection of these memberships is listed in this table.



## COMMITMENTS AND ENDORSEMENTS

Firmenich has committed to or signed business, environmental, and social charters, principles, and initiatives related to our three ESG streams: Acting on Climate Change, Embracing Nature, and Caring about People. Our commitments and endorsements, many of which apply to more than one of these strategic pillars, are presented below.



RACE TO ZERO

IFRA-IOFI  
SUSTAINABILITY  
CHARTERUNITED NATIONS  
GLOBAL COMPACT  
TEN PRINCIPLESNET-ZERO SCIENCE-  
BASED TARGETSBENEFIT  
CORPORATION  
(B CORP)FRENCH BUSINESS  
CLIMATE PLEDGE

Acting on  
Climate Change

BUSINESS  
FOR NATUREIFRA-IOFI  
SUSTAINABILITY  
CHARTERUNITED NATIONS  
GLOBAL COMPACT  
TEN PRINCIPLESUNITED NATIONS  
CHIEF FINANCE  
OFFICER  
PRINCIPLESBENEFIT  
CORPORATION  
(B CORP)BUSINESS &  
BIODIVERSITY  
PLEDGE OF THE  
CONVENTION  
OF BIOLOGICAL  
DIVERSITY (CBD)

Embracing  
Nature

EQUAL EVERYWHERE  
CAMPAIGN  
UNITED NATIONS  
FOUNDATIONIFRA-IOFI  
SUSTAINABILITY  
CHARTERUNITED NATIONS  
GLOBAL COMPACT  
TEN PRINCIPLESUNITED NATIONS  
WOMEN'S  
EMPOWERMENT  
PRINCIPLESBENEFIT  
CORPORATION  
(B CORP)UNITED NATIONS  
LGBTQIA+  
STANDARDS  
OF CONDUCT  
FOR BUSINESS

Caring  
about People

## CONTRIBUTION TO THE UNITED NATIONS GLOBAL COMPACT (UNGC)

Partnership with the United Nations (UN) has been a pillar of our sustainability strategy for over 30 years and we embed the Sustainable Development Goals (SDGs) in our growth strategy.

As the primary international organization driving the implementation of the 2030 Agenda for Sustainable Development and the SDGs, the UN favors neutral dialogue between the business community, governments, and civil society.

Our partnership with the United Nations has closely tracked our sustainability journey since 1991, when we became the first company in our industry to sign the International Chamber of



“

**Patron and Sponsor companies represent the highest level of engagement with the UN Global Compact and are key to our 2021–2023 strategy which is focused on accelerating and scaling the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.**

SANDA OJIAMBO, CEO OF THE  
UNITED NATIONS GLOBAL COMPACT



Commerce Sustainability Charter. We have been a signatory of the UN Global Compact and CEO Mandate since 2008, and recognized as one of the Global Compact LEAD companies for our role in championing the SDGs. In 2019, we joined the Global Compact CFO Taskforce with the vision of mobilizing investment and finance for the SDGs. In 2021, we became the first fragrance and taste company to successfully complete the SDGs Action Manager, a key step towards B Corp certification.

We have now further strengthened our relationship with the UN by becoming Global Compact Impact Sponsor for Labour and Decent Work. Decent work is a central component of SDG 1 (no poverty) and SDG 8 (decent work and economic growth), and is defined as secure employment that guarantees security, a fair income and safe working conditions.

We will contribute to building consensus across the business community on key principles of decent work, such as the definition of a "living wage". More specifically, we aim to ensure a living wage for all our employees and to scale up its implementation in our supply chain.

For more on the UN Global Compact visit their website: <https://www.unglobalcompact.org/>

“

**More than a badge, B Corp is a movement that accelerates positive impact performance across the company and the value chain. It's a prerequisite to enable profound changes and transform the society at large.**

**JONATHAN NORMAND,  
CEO AT B LAB SWITZERLAND**

## OUR B CORP JOURNEY

Building on our 127-year legacy of responsible business, we promote an Inclusive Capitalism model aiming at delivering shared value for all stakeholders.

We encourage the change for a more inclusive, equitable, and regenerative economy through collaboration and partnerships. This is why we have started our B Corp journey in 2020, achieving a key milestone as the first in our industry to complete the United Nations SDGs Action Manager assessment designed by B Lab.

Jointly, we are committed to driving positive change through our innovation, science and scale.

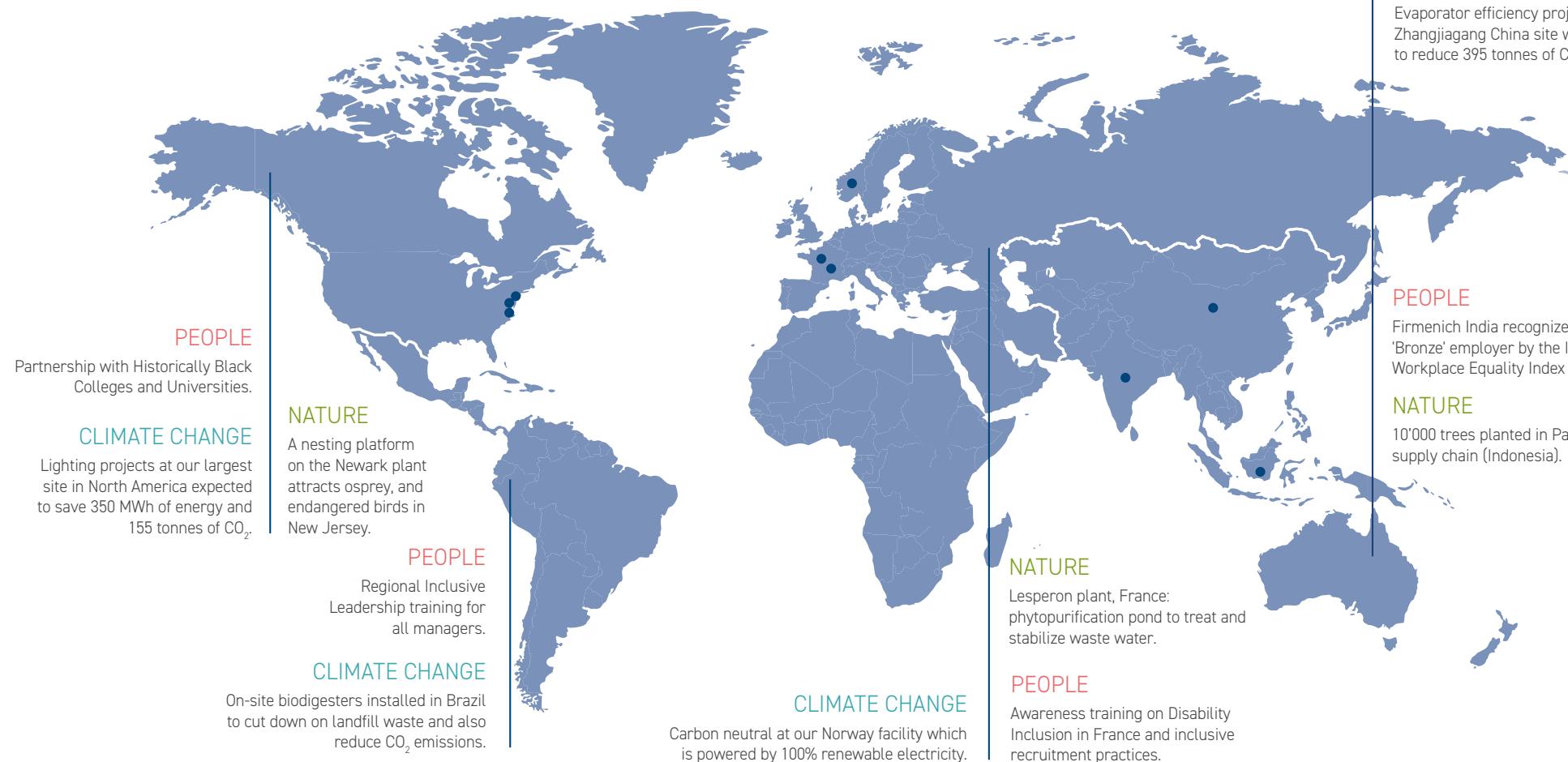
For more on B Corp visit their website: <https://www.bcorporation.net/en-us/>



## OUR ENGAGEMENT WITH THE COLLECTIVE ACTION OF THE UNITED NATIONS



# Sustainability roll-out: Regional deployment



# India: Community outreach and ESG progress

Social and environmental issues of varying severity are unavoidable in a country as vast, densely populated, and diverse as India. To address these challenges in an efficient and mutually beneficial manner, strong partnerships with suppliers, associations, and nonprofit organizations are required. Firmenich India is dedicated to making a difference over the long-term: it enables us to drive responsible growth, create new opportunities, and share success.

Our desire to benefit society leads to the creation and support of projects linked to our ESG vision and mission. Supporting alternative sanitation solutions that incorporate our breakthrough malodor-control technologies is one of the causes we are already involved in, and where our expertise and experience as a forward-thinking company can be leveraged. We combined our world-class smell science with consumer insights and reinvented toilet technologies. This helped to raise awareness about the deplorable state of women's public sanitation facilities, while also providing a solution: the "Toilet for Her" (Ti Bus) program. Ti Bus repurposes decommissioned buses into clean, low-cost multi-purpose women's convenience facilities. To make a real difference and optimize use at scale, we have focused on changing behavior through access to a safe and sanitary facility, hygienic waste management and the use

of our innovative malodor-control technologies for a pleasant experience. In April 2022, we launched our second Ti Bus with malodor-control technology, in Gandhinagar, Gujarat.

When the second wave of the pandemic broke out last year, Firmenich India was quick to respond to the plight of millions of people fighting hunger. As a leading taste brand, we encouraged our employees at all our locations to provide access to safe, nutritious, and sustainable food to those in need. Together with our colleagues, we contributed to and distributed a week's worth of food for families in slum neighborhoods and orphanages near their areas of operation.

Our commitment to our communities can only be met with the assistance and support of our employees, who are dedicated to creating a more sustainable society. We help them by creating opportunities for people of all backgrounds, gen-

ders, and origins, and by ensuring that our workforce reflects the societies and cultures in which we operate. The India Workplace Equality Index (IWEI) 2021, India's first and only comprehensive benchmarking study for LGBTQIA+ inclusion efforts, recognized Firmenich India for its efforts to increase diverse representation at all levels of the workforce and foster a strong sense of belonging. Firmenich India was named a 'Bronze employer' for our dedication to providing an equitable and welcoming environment for the LGBTQIA+ community. We were also acknowledged as a Great Place to Work for the third year in a row. Firmenich India was certified by the Great Place to Work® Institute for its high trust, high-performance culture, employee practices and learning opportunities, ethical business practices, and inspiring leadership. We will continue to build a diverse workforce with a diverse mix of backgrounds, gender, and ethnicity in our teams.



Firmenich Toilet  
for Her bus,  
Gujarat, India

“



**Sustainability can only be achieved by putting human capital at the centre of growth and shared value creation for the planet and society. We have helped communities transition to a more sustainable future over the years. This is an ongoing process, and we are now focusing our internal and external collaboration on achieving the outcomes that we know are necessary for society and its people.**

**SATISH RAO, CHAIRMAN AND MANAGING DIRECTOR, FIRMENICH INDIA**

# Change Makers: Enabling the next generation

## CHANGE MAKERS PROGRAM

By offering young professionals an opportunity to "dream big" we are building a group of future leaders with the skills needed to accelerate business for good. We launched our Change Makers community to encourage the next generation of leaders to support our ambitions by proposing, designing, and implementing innovative projects that meet business-critical priorities for Firmenich, including sustainability. The Change Makers community includes more than 700 people worldwide, from every division and region, united by their desire to create impact and work with purpose. Every quarter, the Change Makers are invited to join a call with top executives, who mentor the core team, to discuss the proposals they have submitted.

## BUSINESS FOR GOOD

When the COVID-19 pandemic brought the world to a standstill in early 2020, the Change Makers saw disruption as an opportunity to think outside the box. They chose to focus on a business priority that resonated particularly strongly with their community: sustainability. Bringing fresh and innovative thinking, they developed and implemented several projects to drive understanding and integration of sustainability within the Taste & Beyond division. For example, the Change Makers created a process for sales representatives to engage with customers on sustainability and developed an interactive e-learning program on diet transformation, which to date has been completed by over 1,000 colleagues.

## RAISE THE BAR

Now in its fifth year, the Change Makers scheme has become a force for enterprise-wide collaboration and growth. At Firmenich, we nurture bright ideas and believe they can contribute to changing our business for a better world.



“

Knowing that my company shares my sustainability values creates a real sense of purpose for me. So, I was excited to learn about the key role Firmenich is playing in diet transformation by making healthy food taste good. It was also a wonderful experience to contribute to that and collaborate virtually with such a multicultural and multitalented team from seven different countries!

THUY MY NGUYEN, CATEGORY MANAGER  
ORAL CARE

Lake Louise,  
Alberta, Canada



# Acting on Climate Change

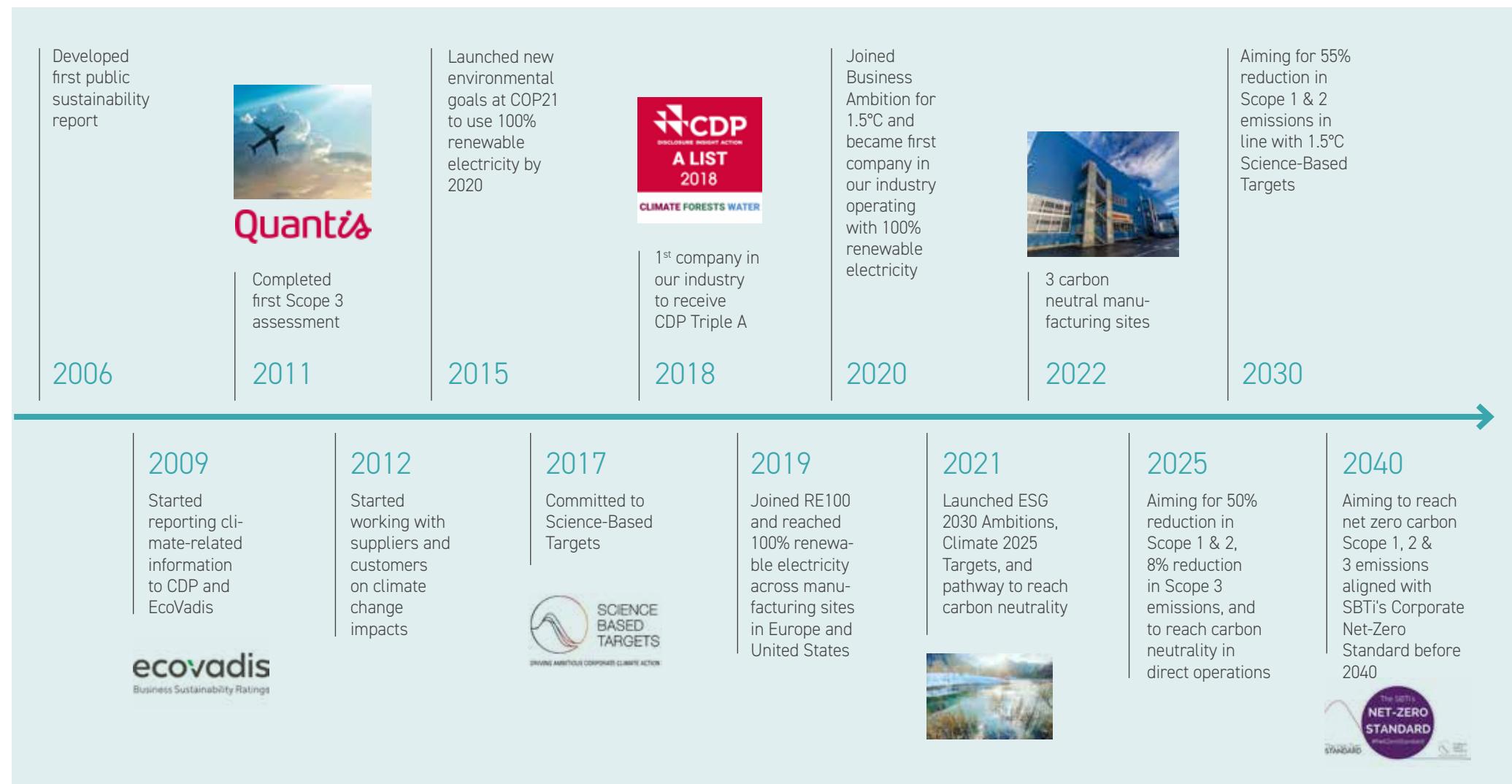
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Our climate journey	32
Climate 2025 targets	33
Climate performance overview	34
Reaching carbon neutrality	37
Driving energy efficiency	41
Conserving water	44
Managing waste and circularity	48
Reducing impact in our supply chain	51
Lowering our environmental impact: fragrance and taste solutions	52

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# Our climate journey



# Climate 2025 targets

GRI 103-1 • 103-2

Firmenich's [ESG 2030 Ambitions](#) highlight our key commitments and the concrete actions we are taking to respond to climate change and transition to a low-carbon future, while simultaneously continuing to grow our business.

We draw on our experience of recognized pace-setting performance in recent years and are dedicated to advancing on our vision of a zero-impact future. Firmenich intends to lead its industry by achieving carbon neutrality in its direct operations by 2025 and carbon positivity beyond that date. We are also striving to achieve absolute carbon emissions reductions in line with keeping global warming below 1.5°C and reach net-zero emissions across our direct operations and value chain before 2040.

Firmenich will continue to ensure that its operations are powered by 100% renewable electricity and seek opportunities to improve energy efficiency and meet our 15% improvement target by 2025. We are also working to minimize our impact by reaching zero waste-to-landfill across all sites,

recycling or reusing 100% of plastic packaging and waste, and switching to 100% office paper and pallets from recycled or certified sources.

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 endeavor to reach and maintain the highest operating standards. Our 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, 95% of our legacy sites have active ISO 14001 certification, and all sites have an effective environmental management system in place. Our more recent acquisitions are progressing towards certification.

Our commitment to preserving the environment extends beyond our direct operations to our value chain, through our [Responsible Sourcing Policy](#), which is available in multiple languages, and our [Supplier Expectation Manual](#). These detailed guides on our environmental and social standards and requirements are shared with all our suppliers and partners in the value chain. We strive to minimize the environmental impact of our business throughout the product life cycle of our fragrances, taste and ingredients.

Thingvellir National Park, Iceland,  
by Alexis BUREL



# Climate performance overview



## CARBON FOOTPRINT

Carbon Neutral in our Direct Operations	2 sites	3 sites	All Sites
<b>GHG Emissions Scope 1 &amp; 2</b> - 50% vs. 2017 (Firmenich + M&A's) - 25% vs. 2020 (New Ingredients Sites <sup>2</sup> )	- 37.1% (Firmenich legacy)	- 36.1% - 12.2%	- 50% - 25%
<b>GHG Emissions Scope 3</b> -8% vs. 2021 (Firmenich + M&A's)	-2.6% (vs. 2017)	New methodology (results in FY23)	-8%
<b>Renewable Electricity</b>	100%	100%	100%
<b>Energy Efficiency</b> -15% per tonne produced vs. 2021	16.26 GJ/t	15.02 GJ/t	13.82 GJ/t
<b>EG/IG<sup>1</sup> Outbound Transportation Emissions</b> -10% vs 2021	3 initiatives	75% of total ocean freight full container load	-10%
<b>Business Air Travel Emissions</b>	Identified opportunities	-15% kg CO <sub>2</sub> e/km vs. FY21	100% offset
<b>Employee Commuting Emissions</b>	N/A	Identified opportunities	100% offset
<b>Supply Chain</b> Suppliers representing 80% of our raw materials spend disclose to CDP climate change and set improvement plans	20%	20%	80%

## WATER

<b>Supply Chain</b> 75% of our suppliers that respond to CDP water have set reduction targets	83%	82%	75%
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1. EG/IG : External Groups (shipment to customers) / Internal Groups (internal shipments from one Firmenich site to another)

2. « New ingredients sites » refers to DRT (*Les Dérivés Résiniques et Terpéniques*) sites, acquired by the Firmenich Group in 2020.



## WASTE & PLASTIC

<b>Zero Waste to Landfill</b> 100% landfill-free	97.9%	92.6% (including M&As)	100%
<b>Office Paper &amp; Pallets</b> 100% from certified source or recycled material	100% in Europe	100% office paper in US	100%
<b>Plastic Packaging</b> 100% recyclable or reusable	100% (totes & drums)	100% (totes, drums, jerrycans, boxes)	100%
<b>Single Use Plastic</b> 100% sites banned single use plastic in cafeterias, meeting rooms, & receptions areas	NA	17 sites free	All sites

## PRODUCTS

<b>Product Environmental Impact</b> analyze fragrance and flavors products for their environmental impact	90% (fragrance & SmartProteins®)	95% (fragrances) 78% (flavors)	100%
<b>Renewable / Upcycled Carbon Content</b> Fragrance portfolio made of 33% renewable (ISO16128) or upcycled carbon content on average	21.6%	23.7%	33%
<b>SmartProteins®</b> Reducing GHG Emissions per year	1.9 million tCO <sub>2</sub> e	2.3 million tCO <sub>2</sub> e	3.3 million tCO <sub>2</sub> e
<b>SmartProteins®</b> Saving Water per year	130 million m <sup>3</sup>	167 million m <sup>3</sup>	215 million m <sup>3</sup>

# Climate and environmental leadership

## CDP

Firmenich was awarded a fourth consecutive Triple "A" by CDP for its leadership in transparency and action on climate change, water security, and forestry protection – one of only two companies in the world to achieve this. We were among only 14 companies worldwide that achieved a Triple "A" listing in 2021, out of more than 12,000 that were scored based on data they submitted to CDP. In addition to receiving top-rating A's across all three themes, Firmenich received the highest score possible for the CDP Supplier Engagement Leaderboard.

## ECOVADIS

Reinforcing our CDP leadership, Firmenich also received the highest Platinum rating for environmental and social performance from EcoVadis for the second consecutive time. We maintained a score of 90 out of 100 points in the Environment section, while we achieved our highest overall EcoVadis score with 88 out of 100 points.

## ACT

Firmenich joined Assessing Low-Carbon Transition® (ACT), a joint voluntary initiative of the French Agency for Ecological Transition (ADEME), CDP, and the United Nations Framework Convention on Climate Change (UNFCCC). The initiative drives climate action by enabling benchmarking against advanced, science-based metrics. It also provides a forward-looking integrated framework that supports the alignment of climate transition strategies with low-carbon pathways and allows companies to test the suitability of their GHG reduction plans.

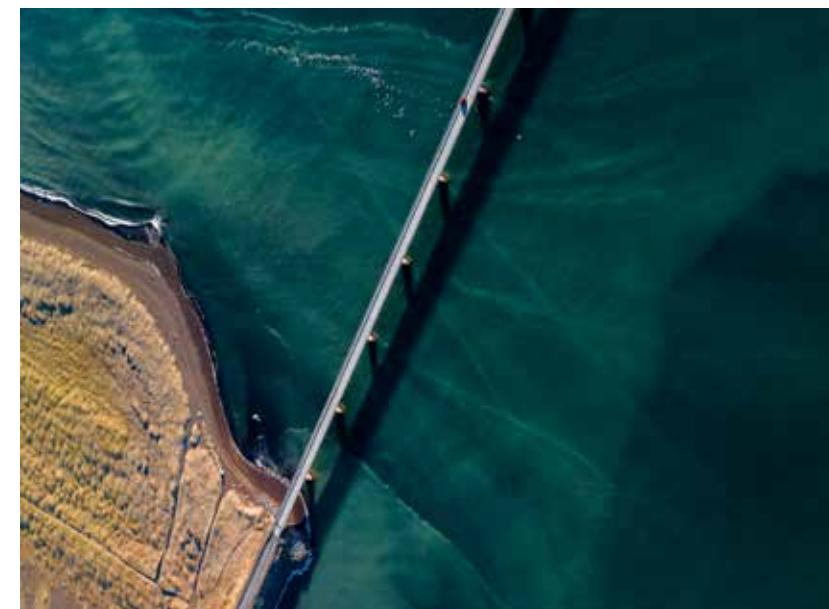
Firmenich was the only company from the Fragrances & Flavors (F&F) industry to take part in the ACT Chemicals Roadtest with 13 other pilot companies. The Roadtest assessed and evaluated the adequacy of our climate strategy and how likely we are to meet the requirements of the low-carbon transition. Based on the ACT results, Firmenich received a score of 13.7A= compared to an average score of 7.6B/C= among the other pilot chemicals companies. Our high score was driven by our effective strategy aimed at implementing new business models around low carbon energy and circularity. This pilot ACT assessment will provide a benchmark to compare our performance in future ACT assessments and allow us to work toward enhancing our plan to transition to a low-carbon future.

## EUROPEAN CLIMATE RANKINGS

In March 2022, Firmenich was listed among 63 companies in a ranking of Switzerland's 2022 "Climate-Conscious Companies" compiled for

leading Swiss media. Through this ranking, Bilanz, Le Temps, and Statista recognize companies that have reduced the intensity of their GHG emissions in relation to sales (CHF). Firmenich ranked #16 out of 63 Swiss companies and #1 in the F&F industry. Additionally, for the second year in a row, Firmenich was included among 400 companies in the "Europe's Climate Leaders" list compiled by the Financial Times and Statista in April 2022, ranking among the top 5 companies in the food and beverage sector with a 44.9% reduction of core emissions 2015-2020 in absolute terms.

Olfusá glacial river, Reykjanes peninsula, Iceland



# Reaching carbon neutrality

GRI 103-2 • 103-3 • 302-3 • 305-1 • 305-2 • 305-3 • 305-4 • 305-5

**2025 TARGETS**  
**Carbon neutral**  
 IN OUR DIRECT OPERATIONS

**2025 TARGETS**  
**50%**  
 REDUCTION IN SCOPE 1 AND 2 GHG EMISSIONS VS. 2017

## CARBON NEUTRALITY AND NET ZERO

Firmenich aims to reach carbon neutrality in its direct operations ([Scope 1 and 2 emissions](#)) by 2025, and be carbon positive beyond that. In addition, by 2030, we aim to achieve absolute carbon emissions reduction (excluding voluntary carbon offsets) in line with limiting temperature rise to 1.5°C.

We also submitted our net-zero science-based targets for validation, aiming to achieve net-zero emissions before 2040, in our direct operations and value chain (i.e., Scope 1, 2, and 3) following the Science Based Targets initiative (SBTi)'s Corporate Net-Zero Standard.

Two of our manufacturing sites, in Singapore and South Africa, reached carbon neutrality in FY20. In FY22, one additional manufacturing site located in Norway reached carbon neutrality, making a total of three carbon neutral manufacturing sites, all operating without the use of offsets.

## SCIENCE-BASED TARGETS

Firmenich's validated near-term science-based targets include a 55% reduction in our absolute Scope 1 and Scope 2 emissions by 2030 vs. 2017. Our near-term science-based targets were developed in line with levels prescribed by the Intergovernmental Panel on Climate Change (IPCC)'s special report on the impacts of global warming of 1.5 °C.

During this past year, we set and submitted to SBTi for approval our long-term science-based targets following the Net-Zero Standard, and aim to reach net-zero emissions in our direct operations and value chain (i.e., Scope 1, 2, and 3) before 2040. The SBTi's Corporate Net-Zero Standard implies a 90% decarbonization and use of high-quality offsets for up to 10% of base year emissions.

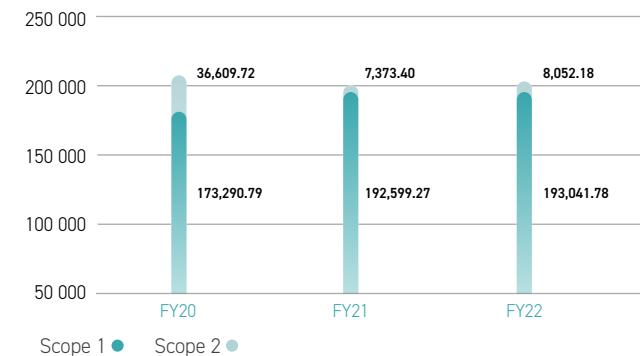
In line with our holistic approach, we are committed to near-term and long-term science-based targets across the Group, and development is underway. Firmenich legacy sites have set an interim target to reduce absolute Scope 1 and 2 emissions by 50% by 2025 vs. 2017, in alignment with our science-based targets, while our new ingredients sites have an independent interim target to reduce absolute Scope 1 and 2 emissions by 25% by 2025 vs. 2020.

In FY22, Firmenich reduced Scope 1 and 2 emissions by 36.1% vs. 2017 and our new ingredients sites reduced Scope 1 and 2 emissions by 12.2% vs. 2020. We will continue to report progress annually in our ESG report and CDP climate change response.

GHG EMISSIONS INTENSITY (KG GHG PER TONNE OF PRODUCTION)



GHG EMISSIONS (TONNES)



## NET ZERO ROADMAP

### SCIENCE-BASED GHG REDUCTION PATHWAY IN LINE WITH 1.5°C

- Started sourcing renewable electricity
- Implemented energy efficiency projects
- Installed first on-site biomass steam boiler in India
- Joined CDP Supply Chain Program & started asking suppliers to share data on carbon impacts

2015

2020

2025

2030

2040

- 100% renewable electricity globally
- Implement energy efficiency projects
- Investigate installation of two on-site biomass steam boilers in China and India
- Investigate purchasing biogas in Europe and the United States
- Purchase voluntary carbon offsets for residual Scope 1 and 2 emissions to achieve carbon neutrality
- Ask suppliers representing 80% of our raw materials spend to set their own science-based targets (SBT)

Carbon  
Neutral  
(Scope 1 & 2)  
by 2025

- 100% renewable electricity globally
- Implement energy efficiency projects
- Explore additional opportunities with renewable fuels and biomass (e.g., purchased biogas, on-site biomass steam installations, etc.)
- Continue to purchase voluntary carbon offsets for Scope 1 and 2 emissions to maintain carbon neutrality/positivity
- Support key suppliers - representing 80% of our raw materials spend - on their SBT journey through joint efficiency and/or renewable energy initiatives

- 100% renewable electricity globally
- Implement energy efficiency projects
- Explore additional opportunities with renewable fuels and biomass (e.g., purchased biogas, on-site biomass steam installations, etc.)
- Purchase high-quality carbon offsets equivalent to up to 10% of Firmenich's total GHG emissions
- Support key suppliers - representing 80% of our raw materials spend - on their SBT journey through joint efficiency and/or renewable energy initiatives

Net Zero  
(Scope 1, 2,  
& 3) before  
2040

Organizations can only achieve net zero by reducing emissions and implementing a combination of insetting projects and offsetting purchases.

Our net zero roadmap focuses on renewable electricity and fuels, energy efficiency, and purchasing high-quality carbon offsets prescribed by

the SBTi's Corporate Net-Zero Standard. We will share our progress and lessons learned annually in our ESG report.

## SCOPE 3 GHG INVENTORY & STRATEGY

This past year, we updated our Scope 3 assessment to better represent the impact from our value chain. The GHG Protocol defines Scope 3 emissions as all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company, including both upstream and downstream. The emissions are resulting from assets, not directly owned or controlled by the Group.

Scope 3 emissions account for approximately 97% of our total GHG emissions, and a majority of these Scope 3 emissions comes from purchased raw materials – 93% of our total Scope 3 emissions which also include fuel and energy sources, purchased transportation of finished products, waste management, business air travel, employee commuting, and investments.

Additionally, we have assessed other purchased goods & services and capital goods, along with processing and disposal of sold products, but these were determined to be negligible – together making up approximately 4% of our total GHG emissions. We will regularly update our Scope 3 emissions to ensure we are reporting in line with the GHG Protocol's Corporate Value Chain (Scope 3) Standard.

### 2025 TARGETS

**8%**

REDUCTION IN SCOPE 3 GHG  
EMISSIONS (FROM PURCHASED RAW  
MATERIALS) VS. 2021

In line with our ESG 2030 Ambitions, we have set:

- Near-term SBT covering most of our Scope 3 emissions (e.g., purchased raw materials), including an interim target for 2025
- Long-term SBT with the goal to reach net-zero emissions in our direct operations (Scope 1 and 2) and in our value chain (Scope 3) before 2040
- Additional Climate 2025 Targets to reduce Scope 3 emissions from purchased transportation of finished products, business air travel, and employee commuting
- A pilot project that will involve inviting key suppliers to an open platform for the calculation and exchange of product life cycle data. This platform, co-lead by CDP and BCG (Boston Consulting Group) aims to unlock collaboration within business ecosystems and accelerate the decarbonization of supply chains.

### SCOPE 3\* (TONNES GHG)

Purchased Raw Materials	2,791,251
Other Fuel and Energy Sources	15,411
Purchased Transportation of Finished Products	52,844
Waste Management	19,008
Business Air Travel	817
Employee Commuting	4,160
Investments	126,626
Total	3,010,117

\* Scope 3 emissions are representative of Firmenich's FY21 base year and exclude our new ingredients sites. Scope 3 emissions for FY22 and our new ingredients sites will be published in a separate update during the first half of FY23.

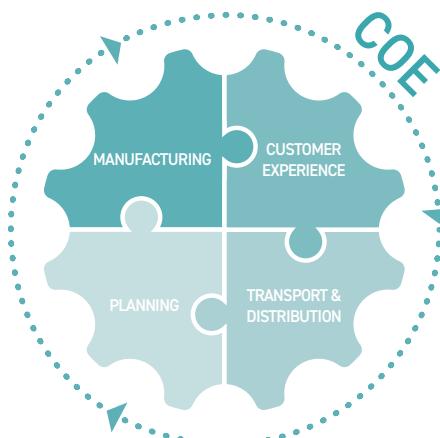


## EG/IG TRANSPORTATION STRATEGY

Global supply chains have been widely disrupted in recent years, under the strain of rising trade frictions, the ongoing COVID-19 pandemic and global challenges in raw materials and logistics.

Firmenich is committed to addressing sustainability and environmental impacts in the transportation and distribution (T&D) of our products. Our T&D Center of Excellence, established last year, has four priorities:

- Drive a breakthrough in customer experience
- Achieve the most competitive system cost
- Implement best-in-class transport and warehousing
- Lead the T&D sustainability agenda in the F&F industry



## EG/IG TRANSPORTATION INITIATIVES

Firmenich's T&D sustainability agenda includes our target to reduce the emissions rate from EG/IG outbound transport by 10% by 2025 vs. 2021. Three major transportation initiatives are underway:

- Switching from air to ocean freight, potentially saving 700+ tonnes of GHG per year. Unfortunately, the global disruption in ocean freight and raw materials sourcing has affected the implementation of this initiative in FY22. We are currently reassessing how we can implement this initiative in a highly volatile market.
- The Global Ocean Freight Project allows Firmenich to reduce Less than Container Load (LCL) shipments in favor of Full Container Load (FCL) shipments. Since November 2021, our LCL shipments are now consolidated through six strategically located hubs and FCL shipments make up approximately 75% of total shipments by ocean freight. Additionally, our appointed ocean global service provider allows us to monitor all our shipments with a single tool.
- Switching from road to rail freight. Unfortunately, the same challenges for global transport and logistics have halted this initiative as well. Firmenich is currently reassessing implementation and will share a new plan in FY23.



## BUSINESS TRAVEL AND COMMUTING

In line with the path to Net Zero, and to demonstrate our responsibility to tackle climate change, we are taking steps to reduce our employees' climate impact by actively encouraging environmentally friendly behaviors. These include the introduction of tools to help them evaluate and choose more sustainable modes of transport for business travel and commuting. For example, we are working with our travel partners to identify and prioritize a selection of Green Hotels. This list includes hotels that have instituted environmentally friendly programs to save water, energy and reduce solid waste, as well as proximity to mass transit. We are taking steps through improvements to the on-line travel booking tool, employee awareness, and changes to travel habits.

In addition, our smarter working principles, aimed at encouraging hybrid working, embrace changes in the working habits of office employees as sites return to normal operations. The greater flexibility allows increased options for working remotely while moving to a smart space solution which will

maximize building occupancy and efficiency. Digital solutions are an integral component of this new working style for increasing collaboration and communication. This new flexible work style should result in a decrease in employee commuting and associated Scope 3 emissions.

### 2025 TARGETS

# 10%

REDUCTION IN EMISSIONS RATE  
FROM EG/IG OUTBOUND TRANSPORT  
VS. 2021

### 2025 TARGETS

# 100%

BUSINESS AIR TRAVEL AND  
EMPLOYEE COMMUTING EMISSIONS  
OFFSET

# Driving energy efficiency

GRI 302-1 • 302-2 • 302-3 • 302-4

## ENERGY EFFICIENCY

We continue to report progress on the energy efficiency of our operations every year and aim to increase energy efficiency by 15% by 2025. In 2022, energy efficiency improved by 7.7% relative to 2021. Reducing our carbon footprint through increased energy efficiency of our process equipment, steam boilers, and lighting is the most sustainable and effective path to achieve carbon neutrality in our direct operations. For example, in September 2021, a comprehensive energy assessment was completed by Anaheim Public Utilities at our Anaheim, California facility, the 8th largest user of energy across Firmenich's legacy operations. The assessment helped to identify potential energy efficiency opportunities for this facility, and pinpointed potential projects with savings of approximately 1,140 MWh of electricity per year.

Additionally, one of our Swiss manufacturing sites (our largest in the world) has started the process toward ISO 50001 certification. ISO 50001, the global energy management systems standard, provides a framework for organizations to develop a more efficient use of energy. The certification process starts with a gap analysis of the current



energy management system against the requirements and best practices of the ISO 50001 standard. The initial gap analysis was completed at our site in April 2022. Furthermore, three of our new ingredients sites in France and USA are already ISO 50001 certified.

To further minimize energy consumption and improve efficiency, two new ingredients sites at Castets and Vielle-St-Girons, France, use by-products (of which 70% are biomass waste) to produce steam. This process not only cuts our GHG emissions by lowering our use of natural gas, but also minimizes production waste disposal, valorizing a resource that would otherwise have been discarded.

### 2025 TARGETS

**15%**

IMPROVEMENT IN ENERGY  
EFFICIENCY VS. 2021

## DIRECT AND INDIRECT ENERGY CONSUMPTION (GJ)



**2,082,886.51**

Indirect energy consumption

**5,636,527.39**

Direct energy consumption

## NON-RENEWABLE AND RENEWABLE ENERGY CONSUMPTION (GJ)



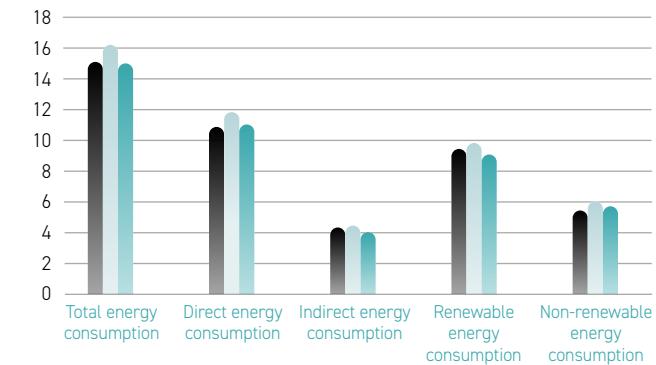
**2,951,150.42**

Non-renewable energy consumption

**4,768,263.48**

Renewable energy consumption

## ENERGY INTENSITY (GJ/MT)



FY20 ● FY21 ● FY22 ●

## RENEWABLE ELECTRICITY

All our operations worldwide are now powered by 100% renewable electricity - a first in our industry. This is confirmed according to the strict technical criteria developed by RE100, a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. As a member of RE100 since 2019, Firmenich is highly transparent about the procurement of renewable electricity and discloses these details to RE100 and CDP annually.

Our renewable electricity comes from local sources, or the grid, and we also work with suppliers and governments to develop green power, including on-site solutions based on wind and solar. For example, ACTION PIN, specialized in the design, production, and distribution of specialist products made with raw materials produced from pine, is equipped with around 3,000 m<sup>2</sup> of photovoltaic panels and tracker panels, producing the equivalent between 30% and 35% of the site's annual electricity consumption.

Furthermore, we are exploring options to pursue high-quality Purchase Power Agreements<sup>1</sup> (PPAs) in the future. A PPA is a contract between the buyer and the power producer to purchase electricity for pre-determined periods at pre-agreed pricing. The strict financing requirements for PPAs make these agreements superior to other procurement options for renewable electricity. This is a fundamental step in Firmenich's journey to ultimately become carbon neutral.

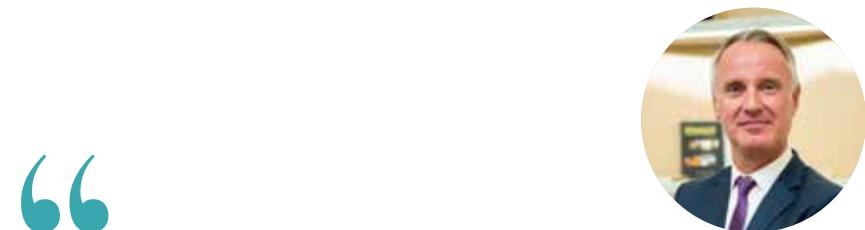
## OUTSIDE ENERGY CONSUMPTION

While Firmenich does not report energy consumption (in GJ) outside of the organization, we report Scope 3 emissions, some of which are related to outside energy consumption. In addition, energy consumption from our key suppliers is reported in the CDP platform and Firmenich uses this information to understand the energy reduction in our supply chain. Our EcoScent Compass™ and EcoFood Compass™ tools can include carbon and energy impact outside of the organization.

We are currently gathering this information as we remain mindful of the impact this has on the communities in which we operate. We are refining our reporting processes and we will consider reporting this externally in due course.

2025 TARGETS  
**100%**  
OF OUR SITES POWERED BY 100%  
RENEWABLE ELECTRICITY

1. <https://www.wbcsd.org/Programs/Climate-and-Energy/Energy/R-Escale/Corporate-renewable-power-purchase-agreements-PPAs>



**“**  
We were the first company in our industry to have 100% renewable electricity usage at all our direct operations. We focused on ensuring where it is practical to put renewable energy options on sites whether that be solar or wind. We have also explored and installed on-site biomass steam boilers.

**NEIL MCFARLANE, SENIOR VICE PRESIDENT, GLOBAL QHSE**

## Case Study

# Double gold for Studio Guangzhou's green and healthy building

Buildings account for nearly 40% of all GHGs in the world. Green buildings, with lower environmental impact, can drive resilience into our homes and communities. Our new Studio Guangzhou has achieved two important green and healthy building certifications, both at the Gold level: Leadership in Energy and Environmental Design (LEED) and WELL. These gold standard achievements demonstrate our commitment to our colleagues and our business in the essential area of sustainability and serve as a showcase example for our future projects.

Studio Guangzhou achieved LEED GOLD (Interior Design and Construction: Commercial Interiors) by reaching 66 of 110 rating points. The areas evaluated include water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and more.

LEED certifications can help improve energy efficiency across our sites and achieve our 15% improvement target.

Firmenich Studio  
Guangzhou,  
Guangzhou, China



Awarded by the International WELL Building Institute™ (IWBI™), the WELL Building Standard is a performance-focused system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being including air, water, nourishment, light, thermal comfort, sound, material, health, and mind.

Awarded by the US Green Building Council, LEED is the most widely used green building rating system and provides a framework for healthy, highly efficient, and cost-saving green buildings.



# Conserving water

GRI 103-1 • 103-2 • 103-3 • 303-1 • 303-2 • 303-3 • 303-4

# Water stewardship

Climate change is altering weather patterns and water security around the world, causing shortages and droughts in some areas and floods in others. The availability of water is a widespread problem. The World Wide Fund for Nature (WWF) estimates that two-thirds of the world's population may face water shortages by 2025. In response to water scarcity, Firmenich has committed to reaching water neutrality in its direct operations located in water-stressed areas by 2030.

We actively contribute to UN Sustainable Development Goals (SDGs) 6 – "ensuring availability and sustainable management of water and sanitation for all" – through the implementation of water savings projects. For example, at our manufacturing site located in Zhangjiagang, China, we implemented a condensate recovery project in FY22, which led to both water and energy savings. The project allowed the site to reduce water input by approximately 6,500 m<sup>3</sup> per year or roughly 16% of the site's total water input. Additionally, the site reduced its steam requirements by approximately 900 tonnes (or 11% of total steam) per year by recovering heat contained in the discharged condensate. As the SDGs are embedded in our ESG strategy, we strive to take sustainable action with overlapping positive impacts.

As an endorser of the UN Global Compact's CEO Water Mandate since 2008, Firmenich is required to communicate with its stakeholders on an annual basis about our progress in implementing the Mandate's six elements: Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement, and Transparency. We strive to reduce critical water risks across our operations through annual assessments followed by measures to improve water-use efficiency. We measure and aim to reduce our total water use globally, with a vision to reach water neutrality by 2030.



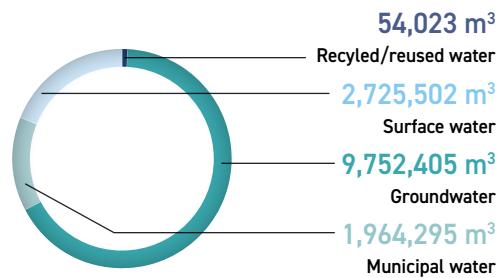
## WATER-STRESSED LOCATIONS

Firmenich has identified 12 manufacturing sites that operate in water-stressed areas and are susceptible to water risk. Over the past five years, we have implemented several water savings projects to help minimize water stress in these regions. A few examples can be found below, and more information is available in Firmenich's previous [sustainability reports](#).



# Water withdrawal

## WATER WITHDRAWAL

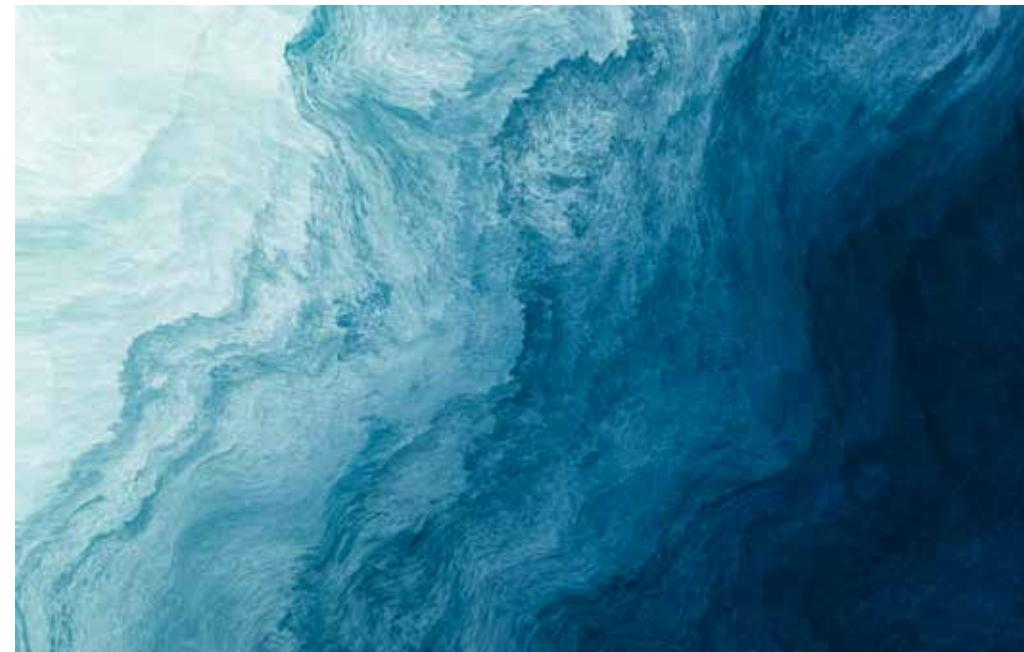
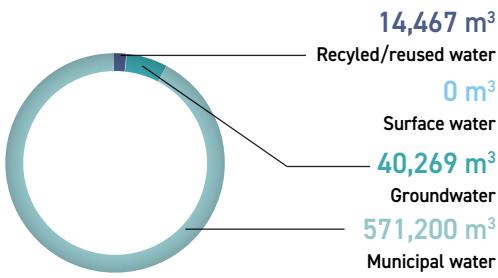


## WATER CONSUMPTION

Water consumption is the amount of water withdrawn or input into our operations and not discharged back to the water systems. Since most of our process water usage is used for cleaning and is released back into the water systems after on-site or off-site treatment, the total water consumed in products or lost through evaporation is not material. However, driven by our ESG jour-

ney, we aim to continuously improve disclosure and transparency. In FY22, our calculated water consumption is approximately 234,533 m<sup>3</sup>. This calculation of water consumption also factors in non-contact cooling water that is returned to the source (e.g., lake, river) from which it is obtained, and recycled or reused water.

## WATER WITHDRAWAL – STRESSED AREAS ONLY



# Water discharge

Our fragrance and taste products are manufactured and transported to our customers in concentrated formulas, requiring minimal water use at our manufacturing sites. Therefore, Firmenich primarily uses water for cleaning and releases it after treatment into the water system. Our water discharge either goes to an off-site wastewater treatment plant or directly to the environment after on-site treatment. However, no water bodies and/or related habitats are significantly affected by our water discharge and/or runoff. Whenever possible, and in accordance with local standards and national regulations, we reuse water to minimize our impact.

Through our EMS and QHSE Management Principles and Operational Codes, we set standards based on local, national, and international laws, and beyond when possible. All facilities follow local requirements on discharges, and we systematically set internal water quality standards aligned with local regulations. In FY22, we had no unplanned water discharges and did not record significant spills.

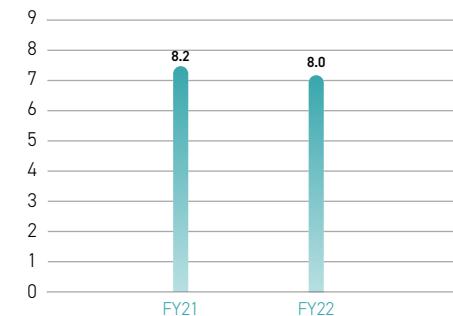
To ensure that our water discharge quality exceeds the minimum requirements, we collect, and report water discharge quality indicators required by law. Moreover, at all manufacturing sites, we assess the chemical oxygen demand (COD) concentration of water released back into the environment, ensure that this number improves year-over-year, and set annual improvement goals. 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.

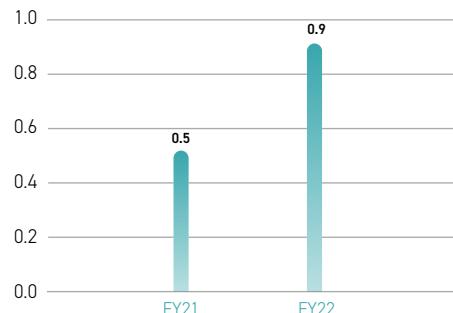
As we are in the process of integrating our new ingredients sites into the COD indicators, we have excluded these operations from the FY21-FY22 progress. Our progress across the Group will be updated in FY23 to include the new ingredient sites. An example of reducing COD impact on local off-site treatment systems is the recovery and reuse of biocidal line washing water in one of the new ingredients sites in France, for the manufacture of future biocidal products. In this instance, wastewater is valorized, instead of being sent to the local wastewater treatment plan.



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



COD TO ENVIRONMENT  
(KG PER TONNE OF PRODUCTION)



# Managing waste and circularity

GRI 103-1 • 103-2 • 103-3 • 306-1 • 306-2 • 306-4 • 306-5

## MANAGING WASTE

As a responsible company, we strictly manage our hazardous and process waste to minimize negative impacts on human health and the environment.

All our sites are required to implement a management system to ensure compliance with all local regulations, and beyond when possible. They ensure the least amount of waste is generated, with the lowest possible toxicity and hazards levels. Our teams have also put in place processes to evaluate all waste streams on a periodic basis.

While most of the waste we generate is process waste, we also generate office, packaging, and cafeteria waste: we ensure that, beyond our operations, our office and cafeteria waste is carefully managed and does not end up in the environment.

### EXAMPLE: HYDRO BLEND A PROJECT

In FY21, we launched the Hydro Blend A project at our manufacturing site in Newark, New Jersey. This project should reduce the site's organic waste by 24%, or 225,000 gallons of waste per year, and could also be expanded to further reduce up to 40% of the site's waste. Most of this site's waste streams come from Hedione® and Habanolide® processes, two of the largest volume molecules we produce.

## HAZARDOUS WASTE

Globally, we always seek to combine our circular methodology with processes in line with the Green Chemistry principles, which minimize the use and production of hazardous substances. Firmenich does not import nor export hazardous waste. Hazardous waste (29,271 MT) is transported to offsite treatment by specialized vendors on behalf of Firmenich, but does not cross market boundaries.

In India, hazardous waste (1,929 MT) is incinerated for energy recovery on-site. We follow the strictest regulations wherever we operate. Covering hazardous waste transportation data can be found in chapter 7.

## 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.

### EXAMPLE: BIODIGESTERS PROJECT

Biodigesters have been installed on-site to manage food and biodegradable waste in Brazil. These biodigesters are automatic composting machines that use a series of processes that break down biodegradable material using microbes, enzymes, and oxygen. The process takes less than 24 hours to decompose the food waste, creating grey water that is environmentally safe and cuts down on landfill waste and GHG emissions.

In FY22, waste-to-landfill increased from 5.9% to 7.4% as we are working closely with our new acquisitions to further reduce the amount of waste from landfill. In March 2022, we celebrated Earth Month and World Recycling Day following the release of an internal "Green Book" to support our zero waste-to-landfill goal across global operations, both manufacturing and non-manufacturing as well as legacy sites and new acquisitions.

At several of our sites, including two in the United States, we have identified opportunities for waste-to-energy conversion to reduce waste-to-landfill.

## 2025 TARGETS

# 100%

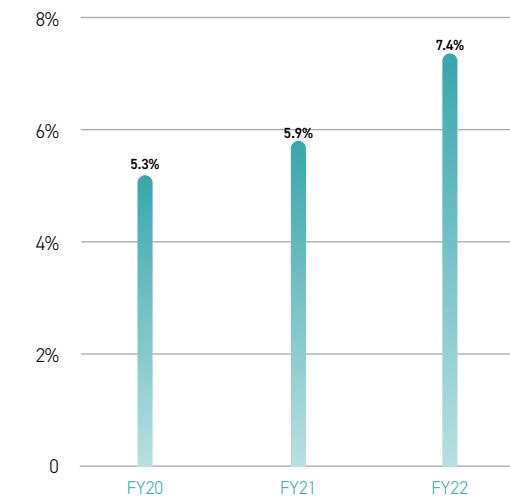
OF OUR SITES INCLUDING NEW ONES AT ZERO  
WASTE-TO-LANDFILL, AND CERTIFY MAJOR ONES

## 2025 TARGETS

# Single-use plastics

BANNED IN OUR CAFETERIAS, MEETING ROOMS, AND RECEPTION AREAS

## % OF WASTE-TO-LANDFILL



## PLASTIC FOOTPRINT

Firmenich's fragrances, taste and ingredients are transported to customers in large industrial containers. We have developed circular solutions to ensure our packaging can be reused and recycled: our steel drums and plastic totes can be cleaned and reused, and our plastic drums can be recycled. As a business-to-business company, our largest plastic footprint comes from our products' drum packaging. Some of our products 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.

We are committed to further addressing our plastic footprint in our buildings and labs, packaging, and value chain:

- 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

### 2025 TARGETS

**100%**

OF OUR PLASTIC PACKAGING FULLY  
RECYCLABLE OR REUSABLE

### 2025 TARGETS

**100%**

OFFICE PAPER AND PALLETS FROM CERTIFIED  
SOURCE OR RECYCLED MATERIAL

in single-serve meals at many cafeterias and the reintroduction of single-stream disposable plastics. As sites return to more normal operations, we are focusing on a green and safe return to work and moving back to zero single-use plastics. This work stream remains on track to be completed by 2025.

- For packaging, sustainability informs Firmenich's careful selection of packaging types and materials for both samples and production. 100% of our plastic packaging (totes and drums) is currently recyclable or reusable.
- In collaboration with our customers and suppliers, we expanded the process of cleaning and reusing intermediate bulk containers (IBCs) from Europe to Mexico. In Europe, the partnership with our IBC supplier has been enhanced and we recycled more than 8,200 IBCs, thus saving 318 tonnes of steel, 125 tonnes of plastic, and avoiding 700 tonnes of GHG emissions in FY22 (+75% vs. FY21).

In our Perfumery division, a strategic project is underway to decrease the plastic footprint in fragrance compounding and application laboratories. We are developing cost-effective sustainable packaging solutions by 2025 and building circular models by 2030. As a first step, sampling perfumery labs have eliminated single-use plastic for key lab items (such as spatulas, spoons, straws, shovels, cups) resulting in a reduction of 4 tonnes of virgin plastic, and another pilot project is underway to eliminate single-use plastic pipettes in fragrance compounding.

## CERTIFIED PAPER AND PALLETS

In addition to reducing plastic, we are taking action to ensure that 100% of our wood and paper packaging sourcing obtains Forest Stewardship Council (FSC) chain of custody certification by 2025. This requires that office paper and pallets come from a certified source or recycled material. Our European operations have already achieved 100% FSC certified boxes and pallets; and additional certifications are underway in the USA and Brazil.

## CIRCULAR SOLUTIONS

The way to a low-carbon economy is through sustainable production patterns that produce less waste. Tackling climate change requires a fundamental shift away from the "take-make-waste" linear model. The concept of circularity is key to making the transition to a low-carbon economy a reality: it has become a non-negotiable for any business looking to the future. 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.

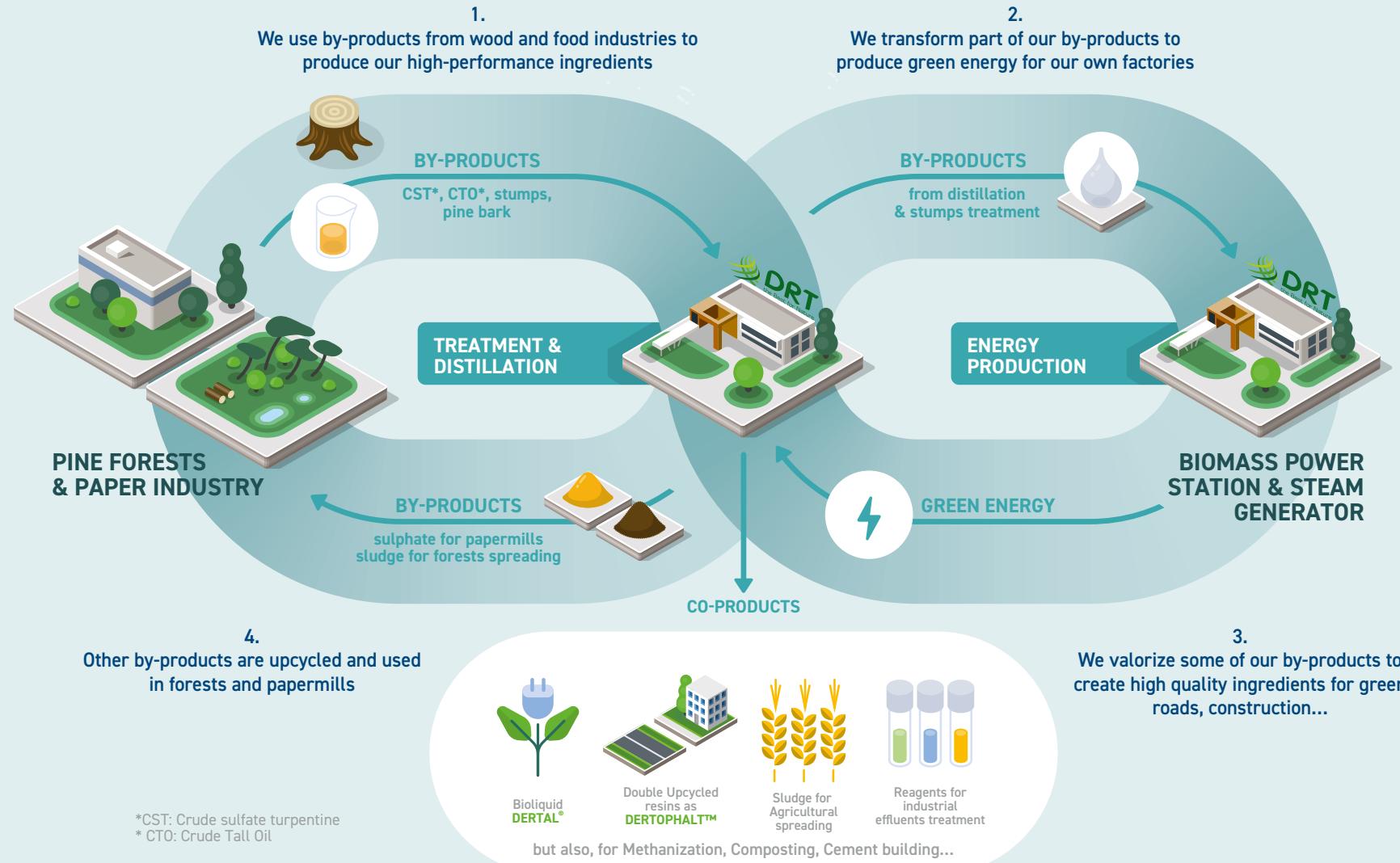


## Case Study

# Circularity in practice: Vielle-St-Girons

As a company engaged in circularity and working with biosourced ingredients, it is in our DNA to make sure no resource is wasted.

We have developed a double upcycling approach: while we manufacture most of our products from renewable by-products stemming from the paper and wood industry, we also upcycle by-products of our own productions to produce energy and obtain new ingredients.



# Reducing impact in our supply chain

## 2025 TARGETS

**80%**

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

## 2025 TARGETS

**75%**

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

## SUPPLIER ENGAGEMENT

Beyond our own operations, we invite key suppliers to develop detailed plans to reduce their environmental impact through the CDP Supply Chain Program. As part of our membership, primary data obtained from suppliers through the CDP platform brings us increased transparency and engagement in our value chain regarding GHG emissions and reduction targets. Furthermore, our Responsible Sourcing Policy, Supplier Expectation Manual, and overarching Supplier Management and Collaboration program enable us to set precise requirements for our suppliers' action on climate change. Consequently, we ask our suppliers to respond to the CDP questionnaires annually and set their own environmental targets.

## CLIMATE CHANGE

By 2025, suppliers representing 80% of our raw materials spend should respond to CDP climate change and share their improvement plans. In July 2021, the response rate of suppliers we requested was 74% - up from 69% in 2020. Out of the suppliers who responded to our CDP climate change request, 51% verified their Scope 1 and 2 emissions, 73% reported active targets, 86% integrated climate-related issues into their strategy, and 64% engaged their own suppliers. In April 2022, we reached out to suppliers representing 80% of our total raw materials spend.

During this past year Firmenich joined an initiative to increase supplier ambition in setting climate targets. CDP's GHG Target Setting Campaign encourages suppliers to move beyond disclosure into action by setting a GHG target. The campaign targets suppliers that have disclosed to CDP for at least two years and do not have a climate target already. Additionally, based on the latest data received through the CDP platform in 2021, 19 Firmenich suppliers have an SBTi-approved science-based target, 16 suppliers have an unapproved target, and 22 suppliers plan to set science-based targets in the next two years.

Additionally, Firmenich maintained a 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 with our suppliers and work toward carbon neutrality in our direct operations and beyond.

## WATER

We have adopted a similar approach for water reduction targets, with great success: by July 2021, 82% of our suppliers who responded to CDP had set water reduction targets, exceeding our objective of 75% by 2025. Additionally, 84% of suppliers reported water accounting, 73% integrate water security issues into their strategies, and 76% reported having a water policy. Our suppliers' response rate increased from 53% in 2020 to 59% in 2021.

## FORESTS

To extend transparency in our supply chain, we also collaborate closely with our suppliers and ask them to respond to the CDP forest questionnaire. Access to primary data allows us to better understand policies, initiatives, risks, and gaps in our own supply chain and determine corrective actions. Between 2020 and 2021, our suppliers' response rate increased by 9%, the number of suppliers reporting targets increased by 11%, and the number of suppliers with public commitments increased by 19%.



Hydroelectric  
power plant, Lake  
Qaraoun, Lebanon

# Lowering our environmental impact: fragrance and taste solutions

Firmenich has developed different proprietary EcoTools to provide transparent data on Climate, Nature and Social and drive continuous improvement in our products.

## ECOSCENT COMPASS™

We have committed to assessing 100% of our fragrance portfolio to provide fact-based transparency and drive constant improvement in the environmental credentials of our formulations. Firmenich's fragrance-based environmental and social impact tool for customers is the first of its kind in our industry and is now embedded in artificial intelligence (AI)-driven creation processes. At the end of June 2022, 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.

This year, we have started to work on the next generation of EcoScent Compass™, to enhance transparency by adding new and more extensive environmental data. Our updated version of Eco-

Scent Compass™ captures 80 data points and is enriched with more aspects from circularity like upcycling and biotechnology, biodiversity impact and compatibility with retailer labels. In addition, we are giving more transparency to "Hero" Ingredients, focusing on their traceability and sustainability profile, as well as their potential functional benefits for well-being.

## ECOFood COMPASS™

Our commitment to assess 100% of our T&B palette for environmental impact by 2025 relies on another science-based, integrated impact measurement tool, EcoFood Compass™. This allows our creators to design flavors aligned with sustainability brand promises and consumer needs, by measuring the social and environmental impact of our raw materials and solutions.

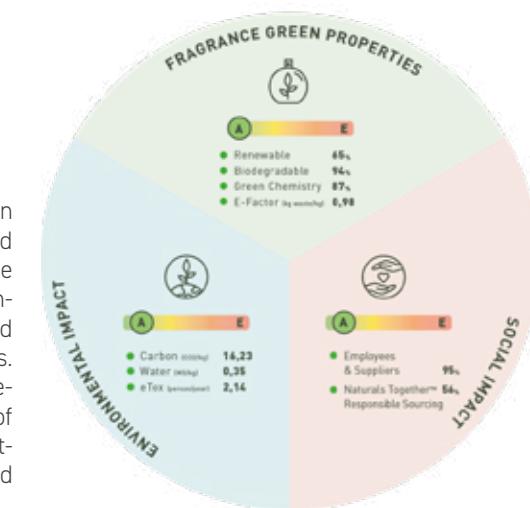
This year, we have focused on the analysis of our T&B portfolio, allowing us to generate the first results for the EcoFood Compass™ score. We have increased the assessment of our palette to 78% of overall T&B volumes used in sales. The life cycle assessment (LCA) of our ingredients and primary data collection, supported by our LCA experts at Quantis, involves many internal and external stakeholders, and takes time. In FY22, we started sharing results on specific portfolios with clients who make sustainability of all of their ingredients a priority.

## 2025 TARGETS

**100%**

ANALYZE 100% OF FLAVORS AND FRAGRANCE  
PRODUCTS FOR ENVIRONMENTAL IMPACT

We aim to further integrate the score calculation in our systems in FY23 and thus render it automated in the creation workstation of our flavorists by the end of 2023. This automation will allow us to generate a more detailed and transparent EcoFood Compass™ Score for a large portfolio of solutions. Moreover, we will be able to accelerate the creation of new formulations within the bounds of environmental footprint constraints from the outset, and enhance the solutions already produced for a better impact.



## EXAMPLE OF INDICATORS MEASURED IN OUR ECOTOOOL

	<b>Acting on Climate Change</b>	<b>1.2</b>	<b>CO<sub>2</sub>e EMISSION (KG CO<sub>2</sub>-EQ/KG)</b>	<b>0.1</b>	<b>WATER SCARCITY FOOTPRINT (M<sup>3</sup>/KG)</b>
	<b>Embracing Nature</b>	<b>84.7%</b>	<b>BIODIVERSITY (PT/KG)</b>	<b>0%</b>	<b>UPCYCLING</b>
		<b>0.1</b>	<b>LAND USE CHANGE (KG CO<sub>2</sub>-EQ/KG)</b>	<b>0%</b>	<b>CERTIFICATIONS</b>
	<b>Caring about People</b>	<b>85%</b>	<b>EMPLOYEES &amp; SUPPLIER WBCSD STANDARD</b>	<b>0%</b>	<b>HEALTHY INGREDIENTS</b>
		<b>3%</b>	<b>INGREDIENTS WITH POSITIVE IMPACT</b>		

## RENEWABLE PERFUME

Our ability to combat climate change is directly related to our ability to address the impact of our products. Therefore, in addition to our corporate target to become carbon positive in our direct operations, our 2030 ambitions in the Perfumery division are:

- 100% of our fragrances will be renewable, as defined by ISO 16128
- 25% reduction in the carbon impact of our perfumery business (vs. 2020 baseline)

We aim to become the global leader in renewable ingredients with 70% of our overall perfumery portfolio made from renewable or upcycled content. Our objective is to proactively drive more transformation toward renewable ingredients through our innovative Sylvergreen™ platform.

This year, through the expertise of our new ingredients operations in innovation and sourcing, we offered alternative renewable solutions in several olfactory territories that consumers love. These include upcycled floral notes, Nerol and Geranyl Acetate.

In addition, the recent inclusion of renewability criteria in our EcoGate filter for new ingredients discovery allows us to prioritize renewable molecules. Since 2010, our R&D processes have defined criteria for any new molecules so that they can be launched to the market. The criteria look at biodegradability, toxicity, renewability among others.

Last year, we also launched our FirGood™ process, which has never been used before in the industry, providing 100% natural ingredients thanks to a solvent-free extraction technology. Our palette includes muguet, ginger, pear, and bell pepper.

Consumers continue to 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 has boomed: +31% in the last two years and +15% in the past year alone.



**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.**

**ILARIA RESTA, PRESIDENT OF PERFUMERY DIVISION**

In line with environmental concerns, 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. Within a 12-month period ending in May 2022, our sales of renewable fragrances have grown by 26%. We aim to reach a level of 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.

### 2025 TARGETS

**33%**

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



## SMARTPROTEINS®

Increasingly, consumers are seeking alternatives to animal-based dishes which are good for both their health and the environment. The IPCC recently underlined how emerging food technologies such as plant-based meat and dairy analogs can play a role in substantially reducing direct GHG emissions from food production<sup>1</sup>. We are actively taking part in these developments through our SmartProteins® continuous innovation, helping our partners unlock new potential in plant proteins through integrated solutions in aroma, taste, texture, and nutrition that improve the appeal of their meat and dairy analog products.

Last year, we shared our Diet Transformation Vision to help create healthier, affordable, and great-tasting food and beverages with more natural and sustainable ingredients. We are making this shift possible by providing appealing, local culinary options, and diversity of choice in meat, dairy, and seafood alternatives. Expanding the number of agricultural crops used as alternative protein sources will impact the demand side, and accordingly, land use, thus expanding the diversity of crops cultivated.

Firmenich has developed further partnerships with clients, ingredient suppliers, and technology experts to support brands in the Diet Transformation journey through the expanding SmartProteins® program. Two innovative technologies have been launched delivering better texture and taste to consumers for a broader palette of starting plant proteins.

To grow our SmartProteins® capabilities, we launched our Culinary and SmartProteins® Innovation Center located in Tuas, Singapore in 2021. The Center will reinforce Taste & Beyond's integrated solutions in meat proteins and plant-based alternatives, and help us to achieve our ESG targets as well as our commitment to enable diet transformation in Asia and beyond.

We are on track with our aim of helping our customers to create healthier, great-tasting, and affordable food and beverages with more natural and sustainable ingredients, and advancing on our target of contributing to annual savings of 285 million m<sup>3</sup> of water and reducing 4.5 million tonnes of CO<sub>2</sub>e emissions yearly by 2030.

As lockdowns were eased this year, we saw evidence that eating less animal protein has become commonplace, with a 40% increase in Firmenich launches and projects to fulfil the growing appetite of consumers for meat and dairy analogs. This has led to an additional estimated saving of 2.3 million tonnes of CO<sub>2</sub>e and 167 million m<sup>3</sup> of water.

SmartProteins®,  
Firmenich

### 2025 TARGETS

**3.3 Million TCO<sub>2</sub>e  
215 Million m<sup>3</sup>**

OUR SMARTPROTEINS® WILL HELP REDUCE 3.3 MILLION TCO<sub>2</sub>E TONNES OF CO<sub>2</sub>E EMISSIONS AND SAVE 215 MILLION M<sup>3</sup> OF WATER / YEAR

Diet Transformation,  
Firmenich



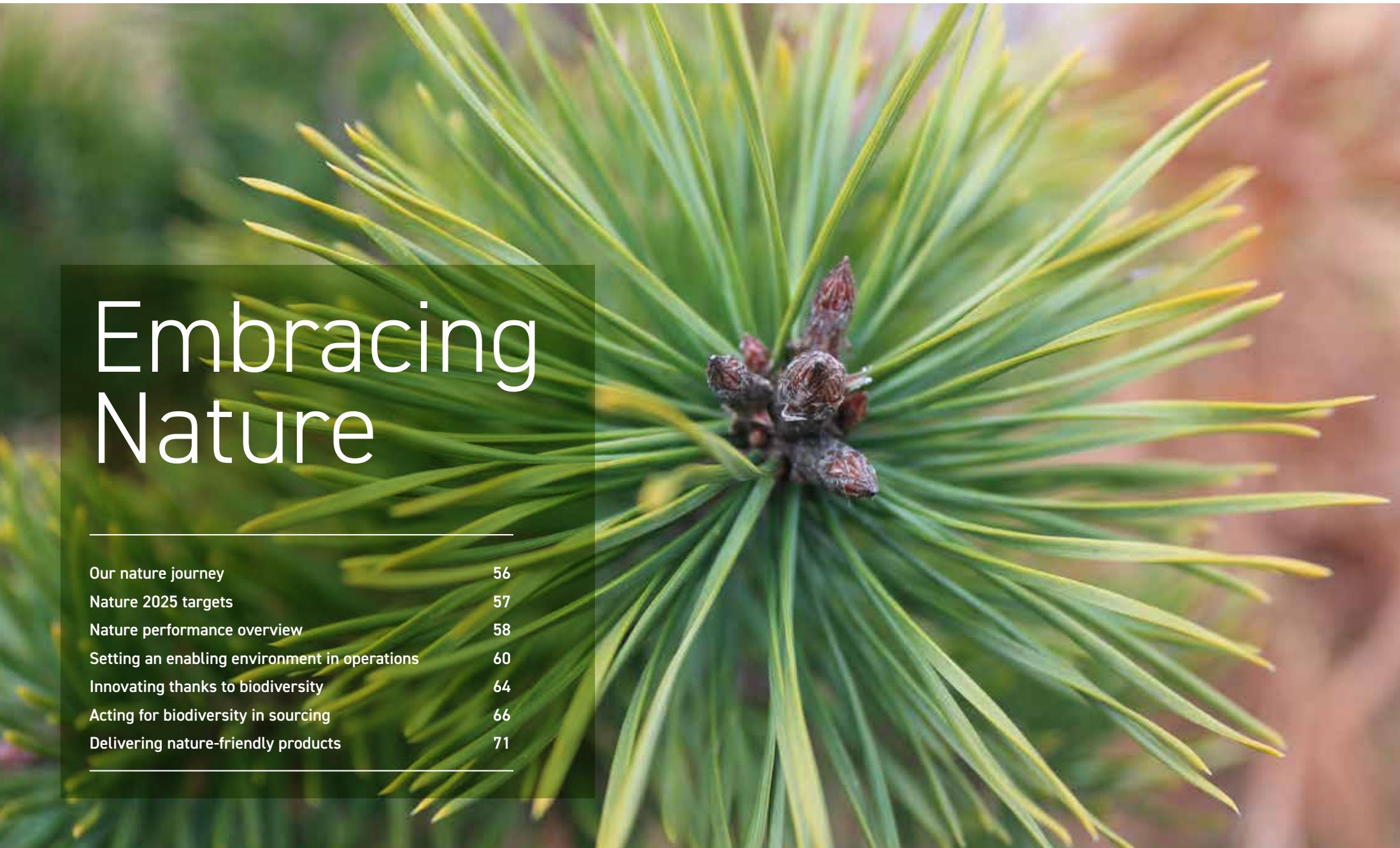
1. [https://report.ipcc.ch/ar6wg3/pdf/IPCC\\_AR6\\_WGIII\\_FinalDraft\\_FullReport.pdf](https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf) - IPCC Assessment Report 6 – WG III (Mitigation) p153 / TS89 April 2022.  
For data: <https://www.pik-potsdam.de/en/news/latest-news/fungi-based-meat-alternatives-to-help-save-earth2019s-forestsTS89>

# Embracing Nature

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Our nature journey	56
Nature 2025 targets	57
Nature performance overview	58
Setting an enabling environment in operations	60
Innovating thanks to biodiversity	64
Acting for biodiversity in sourcing	66
Delivering nature-friendly products	71

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# Our nature journey



# Nature 2025 targets

GRI 103-1 • 103-2

As a fragrance and taste company, Firmenich places great value on nature. Faced with the alarming pace of degradation of vital natural environments, we have a role to play in biodiversity conservation and restoration, especially in areas where we operate directly.

This is where we can most easily identify risks and implement the appropriate action to mitigate them, and where we have opportunities to go further in restoring ecosystems and enhancing biodiversity. We are also working closely with other stakeholders to advance common Science-Based Targets that can drive concerted global action to halt and reverse nature loss.

In FY22, we successfully launched work on our target of restoration in all Firmenich sites with biodiversity risk in line with Science-Based Targets for Nature. We continue to implement our pioneering commitment to verified Access and Benefit Sharing (ABS). Having surpassed our target for 95% ultimately or partially biodegradable ingredients in our fragrances, we are working at pace on transforming our palette to renewable and

biodegradable ingredients. We continue to contribute to the growth of plant-based diets, helping to expand crop diversity.

Nature underpins the global economy. More than half of the world's economic output – USD 44 trillion of economic value generation – is highly or moderately dependent on nature<sup>1</sup>, such as the maintenance of arable land and the pollination of crops or landscapes for tourism. Our economies are embedded within nature, not external to it<sup>2</sup>.

The natural world is in crisis, deteriorating worldwide at a faster pace than at any time in human history. That means many of nature's vital services that benefit people are also declining<sup>3</sup>.

The impacts of extreme weather events and biodiversity loss are now second and third behind climate action failure as the most severe risks identified by global executives for the next decade<sup>4</sup>.

Leading businesses and governments recognize the need for urgent action to halt and reverse natural loss. We share this sense of alarm. Later in 2022, governments will negotiate a global set of nature goals under the Global Biodiversity Framework overseen by the United Nations Convention on Biological Diversity (UN CBD).

Businesses have an important role to play. Firmenich continuously reinforces its commitments to safeguarding, starting to regenerate biodiversity, as well as to fight against deforestation. We strongly believe that collaboration between dif-

ferent actors is critical to promote biodiversity conservation and scale up positive impact. We support our customers in accelerating changes in consumption habits by bringing to market products that contribute to nature conservation.

To determine and reach our 2030 ambitions for nature, since 2020 we have been part of the Science-Based Targets for Nature (SBTN), a global initiative that has published guidelines for companies to measure and reduce their impacts on biodiversity loss.

Udawalawe National Park,  
Sri Lanka, by Alexis BUREL



## ENSURING THE INTEGRATION OF BIODIVERSITY ACROSS ALL BUSINESSES

### Cross-divisional Biodiversity Committee

- Chair: Chief Sustainability Officer (direct report to Executive Committee)
- Management: Director of Biodiversity Compliance & Strategy
- Members: from Business, R&D, Regulatory and Procurement divisions

- Role:
  - Coordination and operationalization of biodiversity strategy
  - Performance tracking

1. The World Economic Forum and PwC (2020) [Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy](#).  
 2. Dasgupta, P (2021) [The Economics of Biodiversity: The Dasgupta Review](#).  
 3. IPBES (2019) [Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services](#).  
 4. WEF (2022) [Global Risks Report 2022](#).

# Nature performance overview



## BIODIVERSITY

<b>Biodiversity strategy</b> 100% UEBT validated	Validated	Validation maintained	Validated
<b>Access and Benefit Sharing (ABS)</b> 100% ABS due diligence system externally verified	19 permits	25 permits	100%
<b>Biodiversity restoration</b> 100% of our sites identified with biodiversity risk set a biodiversity action plan	N/A	15%	100%

## SOURCING

<b>OP2B</b>	Firmenich CEO active on OP2B Board	IUCN Congress UN CBD negotiations	Continued engagement with OP2B
<b>Natural Sourcing</b> 100% of our natural sourcing integrating biodiversity protection through risk management (including land conversion)	Naturals Together Collection	Naturals Together Collection	100% natural sourcing integrating biodiversity protection
<b>Projects at Source</b> Suppliers' partnerships with a focus on farming practices, biodiversity conservation and water management	2	3	10



## INNOVATION

Green Chemistry Principles	Continuous improvement of manufacturing processes	10 Conversions	Increased Ingredients Conversions
<b>High vitality of R&amp;D Pipeline</b> Decreasing pressure on threatened natural resources	5 new ingredients delivered	3 new ingredients delivered 28 NaturePrint ®	8 new ingredients per year (Ambition 2030)

## PRODUCTS

<b>Biodegradable ingredients</b> Ultimately or partially biodegradable ingredients in our fragrance portfolio	96.30%	96.60%	≥ 95%
<b>Biodegradable ingredients</b> PopScent® encapsulated technology sales transitioned to PopScent® Eco (ultimately biodegradable)	N/A	Starting transition	> 40%
<b>Transform into Naturals</b> 75% of nature-based ingredients in our total sales <sup>1</sup>	N/A	66%	75%
<b>Green proteins</b> - Contribute to global diet transformation - Accelerating regenerative agriculture	Increased capability from 2 to 6 crops	Doubled	Crop diversity increased

1. Percentage of natural ingredients in value in our meta formula in Taste&Beyond.

# Setting an enabling environment in operations

GRI 103-2 • 103-3 • 304-1 • 304-2 • 304-3

## Third-party verified biodiversity strategy

Firmenich has a role to play in biodiversity conservation and restoration, especially in areas where we operate directly, as this is where we can most easily identify risks and implement the appropriate actions to mitigate them. This is also where we have opportunities to go further in restoring ecosystems and enhancing biodiversity.

Today, our palette offers extracts from more than 430 species which gives us a responsibility for our impact on these species and the whole ecosystems that depend on them.

UEBT (Union for Ethical BioTrade), an international organization recognized for its expertise in biodiversity, ensures that Firmenich's ingredients from nature are sourced through practices that respect people and biodiversity.

"SOURCING WITH RESPECT", AS DEFINED BY UEBT, COVERS THE FOLLOWING TOPICS:

- Biodiversity conservation
- Sustainable use of biodiversity
- Fair and equitable sharing of benefits
- Socio-economic sustainability
- Compliance with legislation
- Respect for the rights of actors
- Clarity about land tenure

Meeting UEBT requirements is a continuous improvement journey that we are undertaking with our customers and suppliers who also apply UEBT standards. The process, set up with UEBT, results in the transmission of annual progress reports by Firmenich. The actions described in this chapter derive from this process.

We have set up a work plan for the next three years to ensure continuity and increase action involving local producers in our supply chains of natural ingredients. Following its implementation in 2021, we have reinforced our data and information tracking system. We also work closely with UEBT to support it in its development and we are pleased that our representative has been Vice President of the UEBT board since July 2021.

### 2025 TARGETS

**100%**

UEBT VERIFICATION OF OUR  
INTEGRATED BIODIVERSITY  
STRATEGY

Wasp foraging, by  
Muriel NICOLAS



# Ensure full Access and Benefit-Sharing execution

## 2025 TARGETS

**100%**

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

Plant research is central to Firmenich's business and expertise, as the Group has put on the market hundreds of products derived from genetic resources. It is therefore essential for our business to secure this activity both in terms of risks to biodiversity and legal risks.

We have been committed to implementing the Nagoya Protocol on Access and Benefit-Sharing<sup>1</sup> (ABS) since it entered into force in 2014. This international agreement aims at sharing the benefits arising from the utilization of genetic resources in a fair and equitable way.

To this end, we have put in place a process to exercise due diligence, i.e. to obtain the necessary and verified information on the origin of the genetic resource and the conformity of our access, when applicable. This process has been verified by an internationally recognized center of expertise on ABS, UEBT. We are the first company that has

implemented a third-party verification system for our ABS due diligence process (since May 2021). This approach demonstrates our compliance to local authorities in countries where we source our samples of biological resources, as well as to our customers in the European Union whose own due diligence on genetic resources is submitted to European authorities<sup>2</sup>.

This due diligence process has resulted in a robust internal procedure, a facilitated decision-making process that relies on our updated database, and strengthened internal skills and capabilities.

Since 2018, and by the end of 2022, we will have obtained 25 permit references split between four IRCCs (Internationally Recognized Certificate of Conformity) for Research & Development, one IRCC for commercialization, 19 official permits registered in Brazil (which does not yet deliver IRCCs), and one joint sectorial official permit. We are currently working on three other ongoing applications.

Our commitment to ABS has allowed us to identify and fund local sustainable development projects, such as with the Mercantour National Park in France and the Pimbo village community in Cameroon.

## MERCANTOUR NATIONAL PARK IN FRANCE

In 2021, we obtained a benefit-sharing agreement in France for our HeadSpace portfolio of ingredients, using and promoting the exceptional flora of the [Parc National du Mercantour](#), a national park in southeastern France. Together with Parc National du Mercantour and under 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
- Habitat management projects for vulnerable species.

On 4 May 2022, we had the opportunity to welcome the team of the Mercantour National Park in our Center for Excellence for Naturals nearby in Grasse. They visited our different extraction facilities and we shared information on naturals promotion in our industry.



Mercantour National Park Scientific &  
Firmenich teams meeting in Grasse, France

1. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity.

2. European Union Regulation No. 511/2014.

# Monitoring risks to biodiversity and the environment

Firmenich operates in 46 industrial sites around the world for the manufacture of all its products, from natural raw materials, or derived from natural or synthetic materials, that are all purchased from its different suppliers.

Since July 2021, our analysis based on WRI<sup>1</sup> and WWF<sup>2</sup> data points and the SEDEX Risk radar tool has identified 20 industrial sites located in countries with an inherent high risk to biodiversity, or with significant water stress. To support the sites' assessment of the risks associated with their industrial activity and set up action plans, we have developed a toolkit of methods and measurement

that is designed to be easy to use and allow static and dynamic analyses. The selected tools have a global scope and offer regional granularity as well, to allow for more accurate analysis. Furthermore, these tools were identified as relevant by the Biodiversity Research Foundation, the initial SBTN guide or the IUCN (International Union for the Conservation of Nature) biodiversity guide, and consistent with specific GRI 304 criteria.

Consistent with the SBTN approach in five steps, we have chosen tools for the different steps. Steps 2 & 3 focus on the why, what, where and who using different tools such as Sedex Risk Radar,

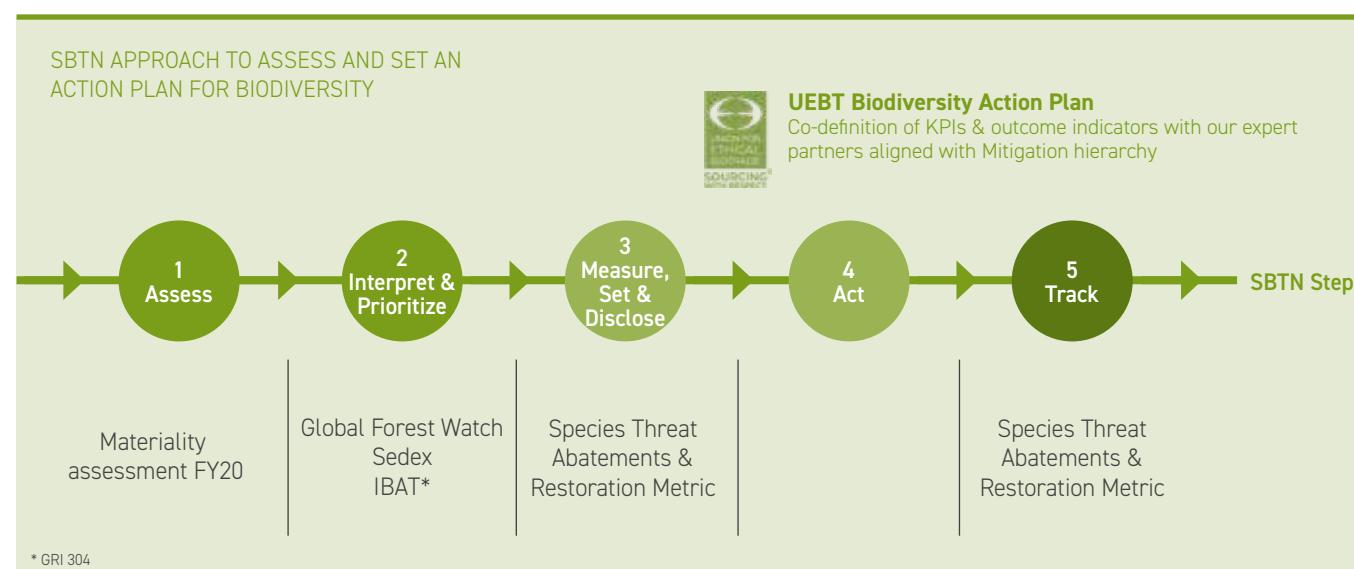
IBAT reports (including IUCN STAR reports) and Global Forest Watch. For the measurement, we are adapting the biodiversity action plan methodology to fit the project teams on our manufacturing sites. The chosen indicators reflect the ones under discussion at SBTN level.

This year, we have studied this methodology and the tools on three pilot sites, located in New Jersey (USA), Aquitaine (France) and Geneva (Switzerland) by associating Biodiversity Action Plan guidance and SBTN interim targets.



**Firmenich was an early joiner of the SBTN Corporate Engagement Program (CEP) and applied our Initial Guidance within their direct operations. They provided valuable insights on how to apply the guidance and demonstrating that it is indeed possible and worthwhile to get started while we continue to develop our methods.**

**JESSICA MCGLYN, CORPORATE ENGAGEMENT LEAD AT SBTN**



1. World Resources Institute (WRI) : data platform allowing users to monitor forest changes in near real time, track drivers of climate change, analyze global water risks, and examine all global environmental issues.  
2. [World Wildlife Fund](#) (WWF), one of the world's leading conservation organization, WWF works in nearly 100 countries to tackle the most pressing issues at the intersection of nature, people, and climate.

INDICATORS – AGGREGATED AT GROUP LEVEL	FY22 ACHIEVEMENTS
Total # of natural habitats	8
Total size of natural habitats	0.74 Ha
Total size of the natural habitats as % of the manufacturing sites	18%
# of different, native, wild species	313

## 2025 TARGETS

**100%**

OF FIRMENICH SITES IDENTIFIED  
WITH BIODIVERSITY RISK SET A  
BIODIVERSITY ACTION PLAN



## Case Study

# Lesperon

Historically, our wastewater treatment plant (WWTP) at Vierre-Saint-Girons treats all the industrial effluent from our sites located about 20 km apart.

Therefore, in 2018 Lesperon decided to build and deploy an on-site water filtration process in Lesperon with both economic and ecological advantages. Several solutions were studied with the objective of having the most ecological and effective treatment possible. Phyto-purification, a treatment process using plants and their root system, was retained as it is a nature-based solution, with the additional advantage of being more economical compared to the traditional chemical filtration treatment solution.

## MAIN RESULTS

Since late 2020, when building work was completed, the filtering basin, planted with reeds, has contained 6,000 m<sup>3</sup> of treated water on site and provided 160 m<sup>2</sup> of filtration surface.

In terms of landscaping and biodiversity, the aquatic basins have led to the appearance of several botanical species:

- 800 aquatic plants have been planted for the treatment process,
- 10 plant species and aquatic plants have appeared,
- Several ecological habitats have formed on the site
  - Reed bed (frogs, ducks, etc.)
  - Herbaceous carpet (bees, butterflies, etc.)
  - Vegetated slopes (lizards, etc.)



Before (2018)



During (2020)



After (2022)

# Innovating thanks to biodiversity

As highlighted by our new Chief Research Officer Sarah Reisinger when she took office in July 2021, sustainability is a pillar of Firmenich's Research & Development strategy. Areas of focus include discovering and developing proprietary ingredients using sustainable processes, delivering enduring sensory performance that is better for our planet, and increasing the renewable content of our palette.

To strengthen our expertise, we have adopted a new and reinforced approach to raising awareness

on technical sustainable themes. At its core, the Environmental Interest Group (EIG), composed of experts from R&D, Global Regulatory services and the business divisions aims to identify environmental risks and opportunities, and to evaluate the technical aspects of certain sensitive subjects. These include endocrine disruptors, renewable carbon, volatile organic compounds (VOCs), biodegradability, and the appropriateness of conducting life-cycle analysis (LCA) at various stages of development.

With the support of this group, we publish a new monthly internal Corporate Environmental Newsletter, which focuses on technical topics of interest to Firmenich.

In addition, a "Green Academy" staff tutorial on biodegradation and persistence aims at explaining the topic to non-specialists within the company, and we have produced a compendium of scientific papers dedicated to environmental assessment that our experts have published since 2016.

## Green chemistry for a better future

Our R&D division continues to be guided by its EcoGate process<sup>1</sup>, which ensures that all new molecules developed by our scientists have minimal impact on the environment after use. We also continue to operate in accordance with green chemistry principles where possible. These principles, which aim to reduce or eliminate the use or generation of hazardous substances in the design, manufacture and application of chemi-

cal products, are fundamental to our scientific endeavor at Firmenich. Throughout the research and development process, from discovery to production engineering, we pay specific attention to the use of renewable carbon, atom economy, and minimizing energy consumption. The R&D team also continues to optimize existing ingredients sourcing and processing to minimize any environmental impacts.



1. The process, formerly known as GreenGate™ was renamed EcoGate in FY22.

### 2025 TARGETS

## Operate WITH GREEN CHEMISTRY PRINCIPLES

# High vitality of research and development pipeline

## 2025 TARGETS

# Decreasing pressure

ON THREATENED NATURAL RESOURCES  
THROUGH BIOTECH & UPCYCLING

Building on the launch of four biotech innovations since 2014, we are continuing to strengthen our pipeline of industrial biotechnology projects. Through a combination of internal research programs and partnerships, Firmenich aims to increase the share of renewable products in its range and to respond to growing consumer and customer needs. The R&D team is also seeking to expand the number of renewable raw materials available for the synthesis of manufactured ingredients. This project aims to develop key raw materials and intermediates and will complement the GreenGate® and Sylvergreen™ ingredients programs to drive the company's objectives for renewability. Our Sylvergreen™ innovation stream builds on various renewable feedstocks and chemical processes to radically increase the renewable carbon content of our existing range of ingredients. Since 2020, it has led to 10 conversions.

In FY22, we formed a new Scientific Advisory Board (SAB), which includes leading independent scientists from the academic world who will help guide the Group's research and development strategy. Meeting regularly, the SAB's members provide world-class insight into the development

## SUSTAINABLE INNOVATION WITH MUGUET FIRGOOD™

A new partnership with the French start-up Jungle has strengthened our sustainable innovation capabilities and leadership in natural ingredients. Muguet Firgood™ is the first ingredient developed through this collaboration for the luxury perfume market, and the first-ever commercial extract safely obtained from the lily of the valley flower.

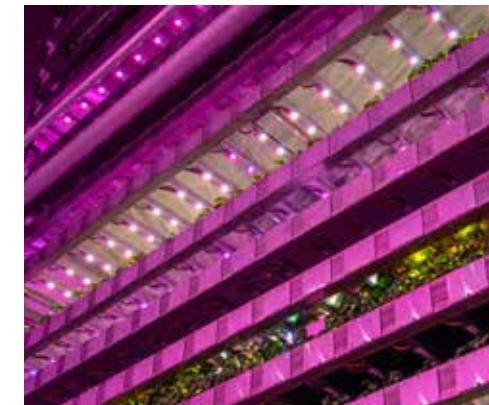
The strategic partnership builds on Firmenich's pioneering Firgood™ natural extraction technology and Jungle's unique capabilities in vertical farming for reduced land and water use. By combining our respective expertise, we can explore innovative and sustainable new avenues for naturals in perfumery that are respectful of natural resources.

The two companies have successfully co-developed a commercially viable product cultivated through clean and highly efficient vertical farms and extracted using Firgood™, a proprietary and sustainable extraction technology developed by Firmenich

The result is Muguet Firgood™, a pure and 100% natural ingredient with fresh and authentic notes never obtained before. Lily of the valley is known in perfumery as one of the most iconic "silent flowers", a flower that yields no essence. It is the first time in the history of perfumery that an extract of this flower has been captured with a safe and sustainable process.

of scientific fields including biotechnology, neuroscience, materials science, artificial intelligence, health, and sustainability as well, identifying potential new business opportunities and reviewing the research and development portfolio.

In FY22, we have continued to integrate and develop the technological capabilities of our Center of Natural Excellence in Grasse, fostering innovation in natural and sustainable extraction techniques. This consolidated team is dedicated to both the Perfumery and Taste & Beyond businesses, and it facilitates knowledge sharing in the field of Naturals.



FIRGOOD™ Muguets,  
Firmenich

“

**Increasingly, we see consumers are demanding to know if ingredients are biodegradable, renewable, and that the sourcing of natural ingredients respects the environment and supports communities. With our Conscious Perfumery ambitions, we aim to drive innovation and creativity to advance the development of delightful and performing fragrances that are also more conscious and eco-friendly.**

**MICHAL BENMAYOR, VICE PRESIDENT,  
CONSCIOUS PERFUMERY BUSINESS  
DEVELOPMENT**

You can learn more about our partnership with Jungle [on our website](#).

# Acting for biodiversity in sourcing

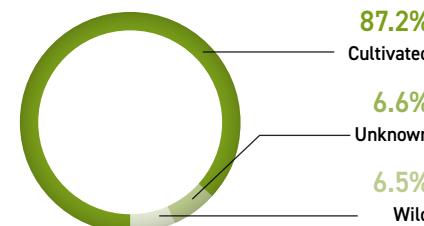
GRI 103-1 • 103-2 • 304-3 • 308-1 • 308-2

Biodiversity guarantees the security of supply of raw materials derived from natural resources. It is fundamental to our company and essential for innovation, and we strive to nurture biodiversity. We are proud of our portfolio of materials from over 430 plants and animal species, including those covered by applicable ABS requirements. This variety also contributes to biodiversity thanks to the market value that our purchases give to these materials.

Firmenich is actively involved in advocacy to promote regenerative agriculture in industry value chains. The Group is convinced of the long-term effectiveness of nature-based solutions.

We are therefore deploying our responsible sourcing approach through two main axes. The first is to monitor the risks inherent in biodiversity in our supply chain. The second is to set up "projects at source" with our suppliers that strengthen the conservation of ecosystem in the long term.

PURCHASED INGREDIENTS CATEGORIZED BY AGRICULTURAL PRODUCTION SYSTEMS



## OUR COMMITMENT TO ONE PLANET BUSINESS FOR BIODIVERSITY—OP2B

Firmenich is convinced that it is necessary and urgent to change current agricultural practices, which cause significant biodiversity loss. Through regenerative practices, agriculture can become more resilient, nurture and restore soil health, enrich biodiversity and contribute to a positive climate trajectory, while supporting farm communities.

Since 2019, we have been a founding member of the One Planet Business for Biodiversity coalition (OP2B), alongside major companies in the value chain of agricultural products. Our commitment to this coalition is particularly strong, as our CEO sits on its board and we have been co-leading its advocacy task force since January 2021.

The coalition focuses on three pillars: scaling up regenerative agriculture; enhancing cultivated biodiversity; and protecting high-value ecosystems. Our objective is to promote action to demonstrate that regenerative agriculture is a key driver to halt biodiversity loss and restore ecosystems within the industry.

FY22 was marked by two events at the IUCN Congress and United Nations meetings on the Convention on Biological Diversity (CBD) in Geneva. We took the floor to promote the wide-

## Advocate for nature-based solutions

IN PARTNERSHIP WITH OUR CLIENTS AND SUPPLIERS AT GLOBAL POLICY FORUMS

spread uptake of regenerative agriculture and to encourage world leaders to adopt an ambitious global biodiversity framework, embedding nature in decision-making to create a more nature-positive world. Together with OP2B, we have helped to guide policy makers on business ambitions with key written contributions to the UN CBD Global Biodiversity framework post 2020.



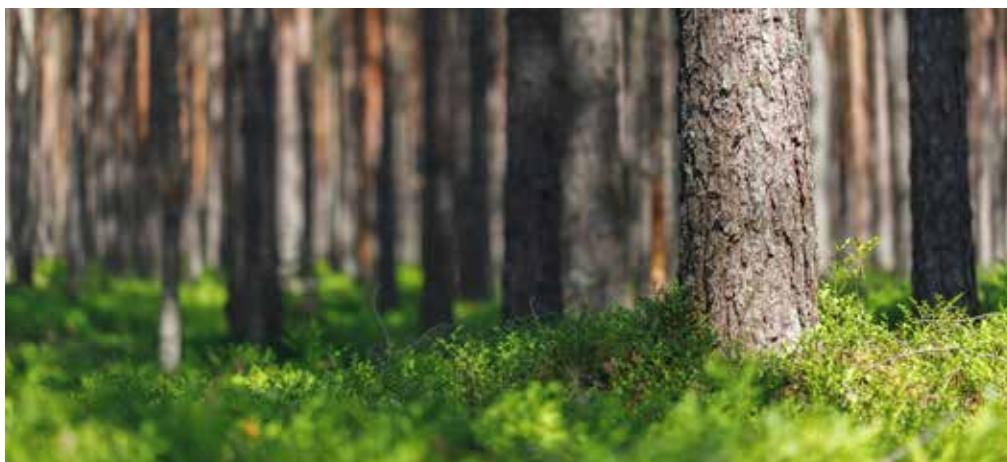
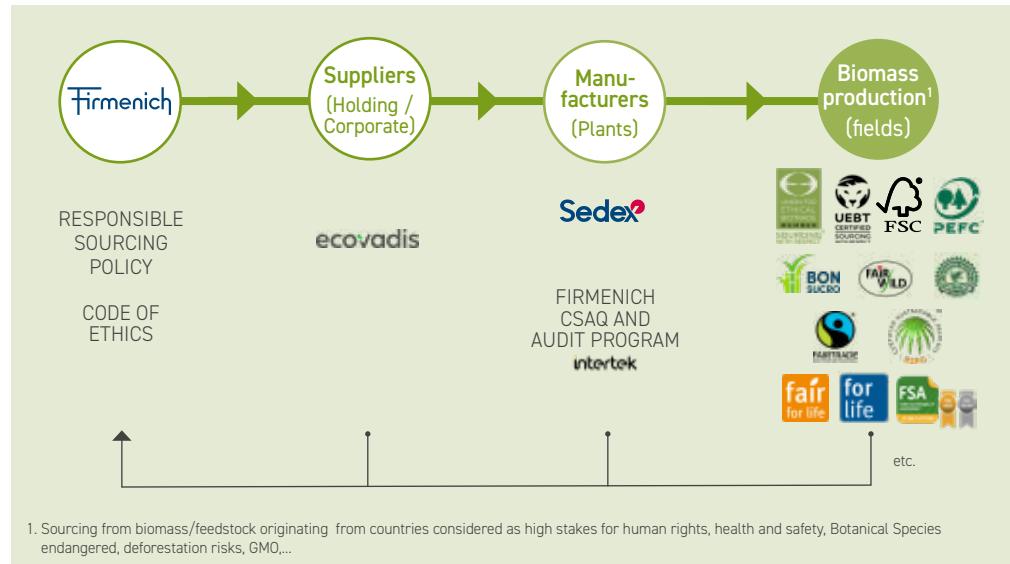
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We believe that individual commitments by players within the food system, empowered by collective collaboration across the entire value chain, are the keys to promote regenerative agriculture while driving biodiversity conservation.

**EMMANUEL BUTSTRAEN, PRESIDENT TASTE & BEYOND**



# Responsible sourcing due diligence for biodiversity



## 2025 TARGETS

# 100%

OF OUR NATURAL SOURCING INTEGRATING  
BIODIVERSITY IN RISK MANAGEMENT, INCL. LAND  
CONVERSION

The major risks for the sourcing of ingredients are biodiversity loss and land conversion including deforestation. To prevent them, we assess those risks and reach up the supply chain.

In FY21, Firmenich started to use a risk data tool from UEBT to monitor the risk attributes regarding specific natural resources and the country where the biomass is cultivated or collected. We have integrated it into manufacturer monitoring, and we are working to upscale it for ingredients risks management.

Our tool provides a comprehensive approach and covers risks from manufacturing countries to sourcing countries. It allows our sourcing manager to prioritize key first action, consistent with our responsible sourcing policy.

## THE UEBT RISK TOOL

The objective of the UEBT tool is to identify risks related to natural raw materials, with five risk categories:

- Human and workers' rights:** What are the risks of infringement of human rights, child and forced labour, or poor labour conditions in production activities?
- Conservation of biodiversity:** What are the risks that production activities take place in protected areas or contribute to degradation of habitats and the local flora and fauna?
- Sustainable use of biodiversity:** What are the risks that production activities contaminate and deplete natural resources in production sites?
- Benefit sharing and local development:** What are the risks that production activities have negative impacts on local development and the living conditions of local communities, or do not comply with legal requirements on benefit sharing?
- Quality and traceability:** What are the risks to raw material quality and traceability at the field and local processing levels?

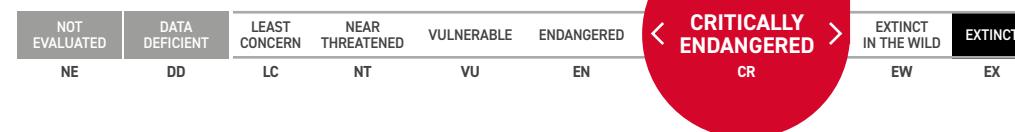
## THE IUCN RED LIST

Since 2019, our ingredients' qualification process has been based on data including the IUCN Red List status associated with the species from which our ingredients are derived, as well as the notion of wild collection versus cultivated or domesticated. We have identified where these risk attributes could be used in the sourcing strategies, and we aim to continue their implementation in FY23. As of today, this data helps us to illustrate how

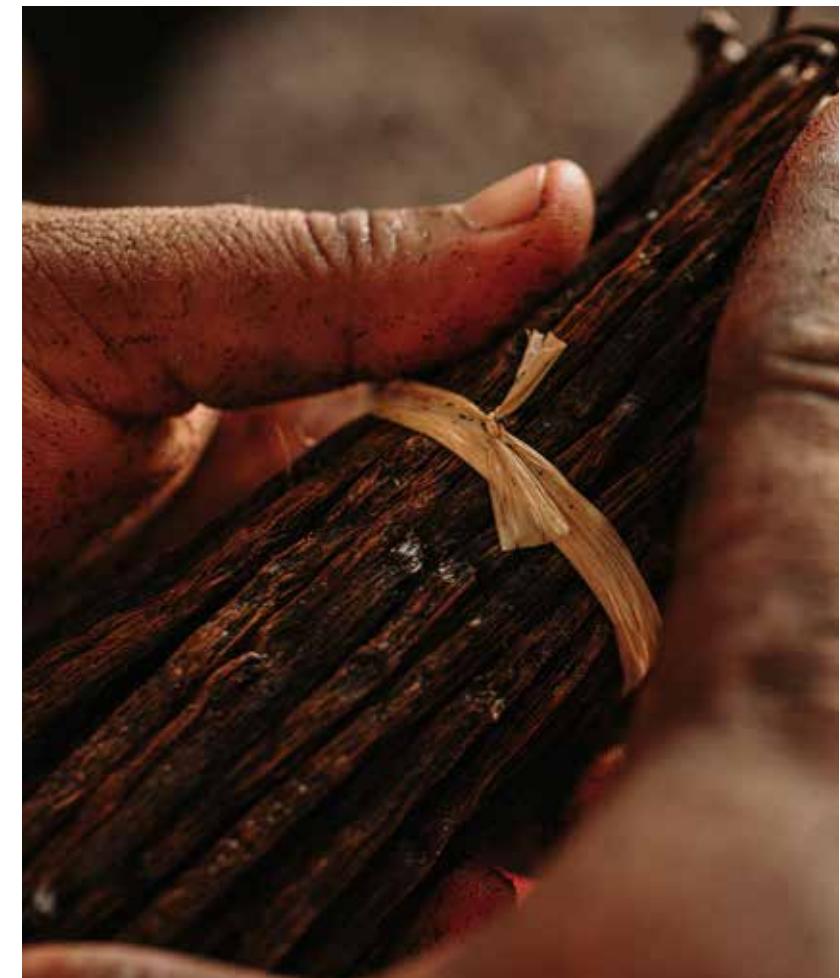
we intend to mitigate further negative impact and contribute to ecosystem conservation.

[Vanilla planifolia](#) is a good example. The wild population of the species is endangered according to the IUCN Red List but its cultivation in other sourcing areas, and responsible sourcing approaches, contribute to the conservation of the species on the planet.

PURCHASED INGREDIENTS DERIVED FROM SPECIES LISTED AT RISK UNDER THE IUCN REDLIST



Learn more on the IUCN red list on their website:  
<https://www.iucnredlist.org/assessment/supporting-information>



**2030 AMBITIONS****90%**OF INGREDIENTS, DERIVED FROM  
TERPENES & RESINS FROM WOOD,  
CERTIFIED WITH FSC/PEFC**DEFORESTATION-FREE ACTION**

One example of how Firmenich advances biodiversity conservation is its collaboration with customers to help them produce deforestation-free products.

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 required by 2030. At Firmenich, we work continuously to ensure that our supply chain protects this valuable resource against the threat of deforestation.

- In FY22, we reached Roundtable for Sustainable Palm Oil (RSPO) certification of 99.5% of direct palm oil and direct palm oil derivatives sourced, and of 95% indirect palm oil derivatives and palm kernel oil derivatives sourced. We achieved 100% RSPO compliance for directly and indirectly sourced palm oil and palm kernel oil.
- We certified three manufacturing sites following RSPO guidelines and trained six additional sites.

To advance our action on deforestation avoidance, we are collaborating with our suppliers of terpenes derived from the paper industry to ensure that these by-products are covered by FSC (*Forest Stewardship Council*) or PEFC (*Programme for the Endorsement of Forest Certification*) feedstock certifications, which ensure the sustainable management of the forests where they are supplied.

In 2022, thanks to our acquired ingredients sites located in southwestern France, which own more than 100 hectares of woodland, we have undertaken a PEFC certification process. We exploit these forests in a sustainable way with the support of forest professionals, as a simple owner would. Our many local partners include the Alliance Forêts Bois cooperative, which is also our partner in the Plantons Pour l'Avenir endowment fund for reforestation in France.

After the formalization of a sustainable forest management plan for the next 40 years, parcel by parcel, the site is fully engaged in PEFC certification for its 111 hectares of forest. This integrated approach to sustainable management of the forest maintains biological diversity, forest vitality and regeneration capacity.

Furthermore, the PEFC network provides information and training on new practices to anticipate climate change.



Lion Rock, Sigiriyan Sri Lanka, by Alexis BUREL

# Sourcing partnerships

## 2025 TARGETS

## 10 new

PROJECTS AT SOURCE WITH FOCUS ON  
FARMING PRACTICES, BIODIVERSITY  
CONSERVATION, WATER MANAGEMENT &  
SOIL HEALTH

Firmenich's responsible sourcing governance and strategy evolved in FY22 to lay down the foundations for a new responsible sourcing cycle that will match its 2025 & 2030 ESG ambitions and bring a positive impact to supply chains.

Implemented by the sourcing teams, the responsible sourcing strategy strives to support a fact-based approach to sustainability impacts. It is built on three main intervention pillars through the strategic supply chains: (i) "projects at source", (ii) biomass certification support and (iii) digital traceability implementation, which provide systemic and coherent levers.

Our "projects at source" are designed to leverage our long-term commercial relationships and sustainability expertise to set up projects that empower our suppliers in the field. A new cycle of "projects at source" with a strengthened framework and rules has been launched in FY22, with new projects.

## THE PATCHOULI'S PROJECT

The Patchouli's project, implemented with Indesso since 2014, is an example of long-term commitment that delivered positive impacts for best agricultural practices, best distillation practices, as well as on waste management. It covers more than 750 farmers and seven distillers on the island of Sulawesi in Indonesia. Including their families, a total of 3,800 people benefit from the program.

In FY22:

- We planted 10,000 fast-growing trees, and another 20,000 will be planted in calendar year 2022, to provide firewood for the distillation units, increase soil fertility and attract pollinators
- We provided farmers with training on good agricultural practices, in particular on how to reduce the use of pesticides, and trained distillers on best distillation practices
- We have built from scratch a one-of-a-kind agrochemical waste collection system with a local NGO, for which we have also provided training
- We have improved the redistribution of value and price security for farmers, and supported women in gaining equal access to work.

This performance on the ground has been supported by our and our suppliers' ability, to continually develop the project and extend geographical reach to meet the needs of the supply chain's stakeholders while maintaining impact. In FY23, we are preparing for a new three-year cycle with a revised action plan to tackle emerging challenges.



Patchouli,  
Firmenich

## CERTIFICATION SUPPORT

Biomass Certification support provided on several strategic supply chains has allowed our suppliers to achieve outstanding results in certification audits.

We joined with Jasmine Concrete, a joint venture partner of Firmenich since 2014 and the largest manufacturer of floral extract in India, to tackle certification challenges in their jasmine grandiflorum supply chain. This partner reached the Ethical Sourcing level of UEBT verification, which is recognized by all our customers as one of the most demanding ratings for social and environmental criteria.

The company has been sourcing jasmine grandiflorum flowers from smallholder farmers for more than 15 years. Implementing UEBT's standard allowed us to achieve the following results:

- Setting up a Biodiversity Action Plan to ensure farmers adopt good practices to protect Biodiversity and to promote endemic species
- Incorporating composting processes in every jasmine farm and helping them to be plastic-waste-free, through collaboration with a government-run waste management system
- Increasing water efficiency by adopting drip irrigation and proactively collecting rainwater
- Providing training to adapt sustainable agricultural practices, reducing the cost of production, and increasing productivity.

# Delivering nature-friendly products

GRI 103-1 • 103-2 • 304-2

As part of our efforts described above, and at the different levels of our value chain, we strive to assess where impacts and dependencies lie, set targets to reach our ambitions and measure our change in impact including in our products. Firmenich has developed different proprietary EcoTools that are constantly evolving to meet our customers' needs in transparency and scoring.

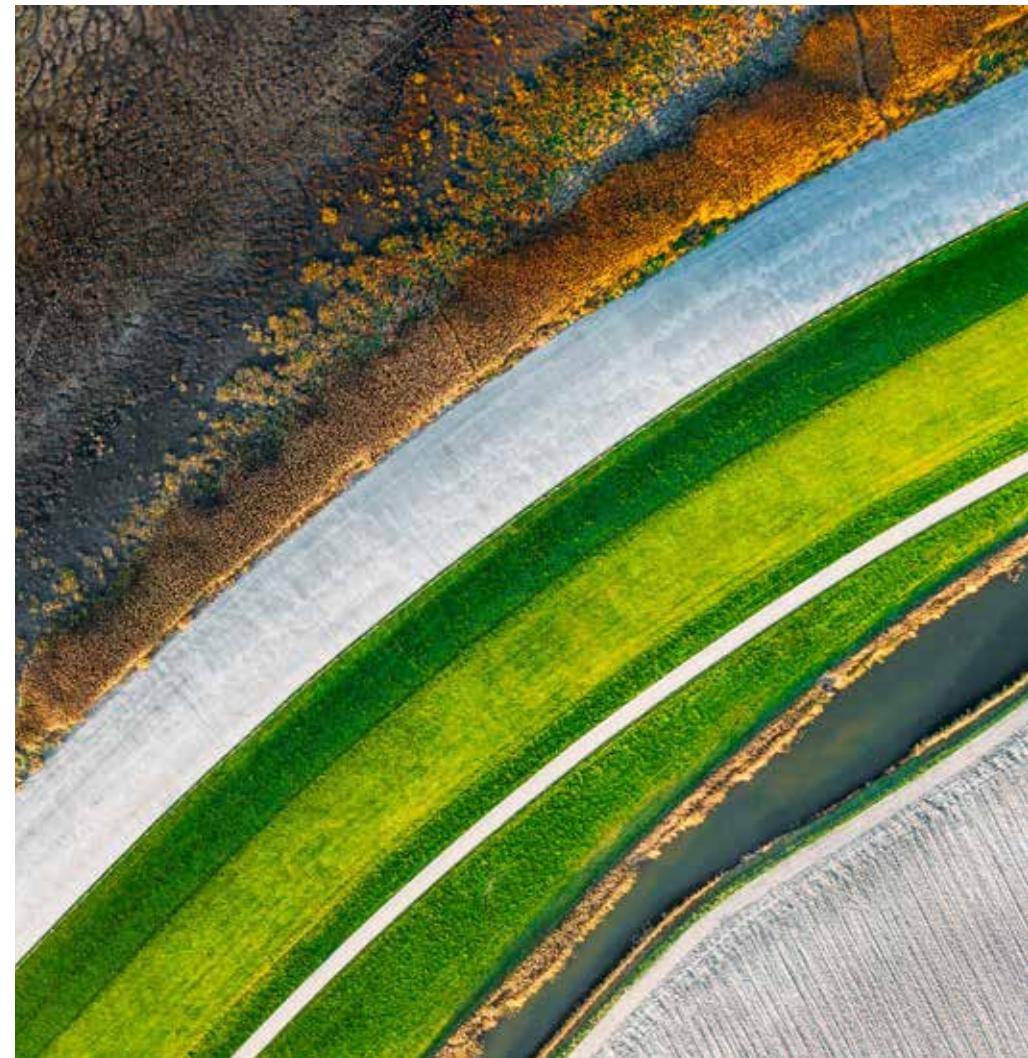
The R&D team is completing an evaluation of environmental factors for the entire manufacturing portfolio in Ecolngredient Compass™, to provide transparent guidance for customers on the Ingredients catalogue.

We are also looking at leveraging such tools to show how biodiversity metrics can be used to deliver concrete data points to our customers, as well as implementing dynamic measurements. While the development of appropriate algorithms and scientific data points takes time, we have been piloting life cycle analysis (LCA) with experts, to determine how biodiversity impact indicators could be leveraged.

To continuously enrich our EcoTools, we have started to identify and select the metrics that would support evaluation of their "biodiversity score". We have been looking for instance at how degraded biodiversity is related to human activity in a given area, measured in *Potentially Disappeared Fraction of Species* (PDF). Among the different environmental impacts measured by an LCA, we have decided to focus our pilot scheme on data collection in four major areas: ocean acidification, terrestrial acidification, land occupation and land transformation.

These impacts are used as input data to assess a "biodiversity score" of our products. Although they are considered mainly static, relying on macro data, we expect to obtain more dynamic analysis, through specific data on a given practice or transformation process thanks to our responsible sourcing policy.

Following the final outcomes of the pilot, we will accelerate its integration in the tools and develop approaches that bring dynamics into the tools.



Nature reserve, Wadden Sea, The Netherlands,

# Biodegradability

## 2025 TARGETS

≥95%

BIODEGRADABILITY OF OUR FRAGRANCE  
PORTFOLIO

## PRODUCT BIODEGRADABILITY

Market and consumer demand for biodegradable products continue to increase. Within a 12-month period ending in May 2022, we observed an increase of 19% in new product launches that contained biodegradable claims. Consequently, our customers are also shifting their focus towards more biodegradable products. The number of projects with biodegradable fragrances has increased by 12%. This convergence towards more biodegradability has resulted in the transformation of our portfolio, resulting in a 96.6% ultimate or partial biodegradability in average.

The number of biodegradable ingredients in our palette is expanding and this transformation has been assisted by our EcoGate process, as well as the launch in FY22 of new powerful, cost-effective biodegradable ingredients such as Muguissimo™ that drive a clean and fresh floral note. Another example is Parmantyne™, readily biodegradable and made with 100% atom economy, a measure of the amount of starting materials that end up as useful products, thereby minimizing waste.

Our R&D team have increased the palette of highly biodegradable fragrance ingredients available to our perfumers through a program of intensified in-house biodegradation testing. Several key fragrance ingredients were confirmed to be biodegradable and upgraded.

To guarantee the level of biodegradability of our products for our customers, and monitor our progress towards our ESG goal of reaching ≥95% biodegradable products in our portfolio, we continue to improve our data systems. The next generation of EcoScent Compass™ will allow our perfumers to see tailored definitions of biodegradability, in-line with customers' needs.

Our AI-powered Formula Generator is already aligned with our EcoTools and is capable of delivering highly biodegradable fragrances.

We have been proactively working to evolve our fragrance delivery technologies towards our ESG goals on biodegradability for several years now.

## ENCAPSULATION BIODEGRADABILITY

Our R&D team has focused on the discovery and design of novel biodegradable core shell building blocks since 2015. This has subsequently allowed us to support our customers' transitions towards more eco-friendly fragrance encapsulates in their consumer products, well ahead of polymer-related regulations that will start to be implemented in some regions (EU & USA) by 2027-2028. We are already using >80% ultimately biodegradable materials in the design of all our PopScent® Eco fragrance encapsulation technolo-

gies, so that the biodegradation of the capsule shell can exceed 60% in 60 days (OECD 301F).

The new microplastic-free, biodegradable perfume capsules won the Henkel Sustainability Award for Laundry & Home Care 2021, awarded to suppliers. This eco-friendly encapsulation technology developed by our team of researchers boosts scent performance for laundry fabric finishers, allowing our customers in turn to achieve their own targets for microplastic-free products and biodegradable raw materials.

While our customers' transition to eco-friendly capsules has only recently begun, it is gaining traction and we are confident of reaching our goals.

Likewise, our unique HaloScent® profragrance technologies, which offer another complementary route to longer lasting fragrance delivery alongside our PopScent® encapsulates, are now ultimately biodegradable for all new variants from 2022 onwards. This new development eliminates waste in production through 100% atom economy and all its ingredients can be considered ultimately biodegradable. Our HaloScent™ profragrance technologies release multiple fragrance ingredients for early onset and long-lasting fragrance performance.

## A UNIQUE CREATION PROCESS

Among the products offered by Firmenich to its customers, the exclusive development of NaturePrint® perfumes is led by its technical and analytical perfumers. They use a solid phase micro-extraction (SPME) technology, which was developed specifically for environmental applications (water

contamination) and has been used by the Firmenich R&D team in perfumery for many years.

This technology consists of absorbing "nature's breath" (the fragrant headspace above the flower), analyzing its chemical composition and reconstituting the fragrance exactly as it is in nature. More environmentally friendly than traditional extraction processes, this specific technology does not destroy biomass. It is therefore particularly interesting for botanical species that are endemic, endangered or provide very few extracts, such as lily of the valley, lilac, or gardenia, and whose extraction would require a large quantity of flowers. Adapted to all kinds of fragrant matrices (flowers, leaves, gums, wood), this technology opens the creation of the NaturePrint® collection.

## PERFORMANCE

Building on this expertise since the implementation of our biodiversity strategy in 2021, we have developed 16 NaturePrint® in FY21 and 28 in FY22. These are of interest to a growing number of customers who sell their perfumes worldwide.

This is an example of a development that supports the way we promote local diversity without damaging their natural ecosystems. In FY22, we especially promoted species from Morocco, Portugal and the Mediterranean regions.

## 2025 TARGETS

>40%

OF OUR POPSCENT® ENCAPSULATED TECHNOLOGY  
SALES TRANSITIONED TO THE NEWEST, ULTIMATELY  
BIODEGRADABLE POPSCENT® ECO BY 2025

# Contribute to diet transformation

**2025 TARGETS**

## Green

PROTEINS ACCELERATE  
REGENERATIVE AGRICULTURE

As part of our vision to accelerate diet transformation, we are aiming to increase the desirability of plant-based dairy, fish, and meat analogs to encourage a more diverse plant-based shift.

In addition to their dietary benefit, plant-based foods contribute to greater variety in farmlands as well as efforts to combat climate change, with a reduced impact compared to the animal proteins they substitute.

The Research & Development team has been collaborating with key customers to enhance meat or

dairy analogs, and to improve the taste and texture of a broader range of proteins used as a base for meat, seafood, and dairy analogs.

Through our constantly evolving SmartProteins® innovation program, we enable our customers to create vegetarian and vegan-friendly alternatives to traditional meat and dairy, focusing on delivering consumer-winning products.

In FY22, we doubled the types of proteins used in product development.



Diet Transformation,  
Firmenich

# Transform into naturals

**2025 TARGETS**

## >75%

OF NATURE-BASED INGREDIENTS IN  
OUR TOTAL SALES BY 2030<sup>1</sup>

Through its Diet Transformation program, Firmenich is committed to deriving the best from nature for the most positive impact. By leveraging innovation, we are starting our journey to transform our Taste & Beyond palette, from 70% of nature-based ingredients by volumes of our total sales based on metaformula, to 80% by 2030, taking into consideration the SBTN guidance, for biodiversity balance.

In FY22, nature-based ingredients represent 66% of our creative palette, containing more than 4,500 raw materials, and more than 300 species registered. Firmenich is on track to reach its 2025 target of 75% nature-based ingredients by volume of total sales, while willing to maintain or increase the diversity of species used.

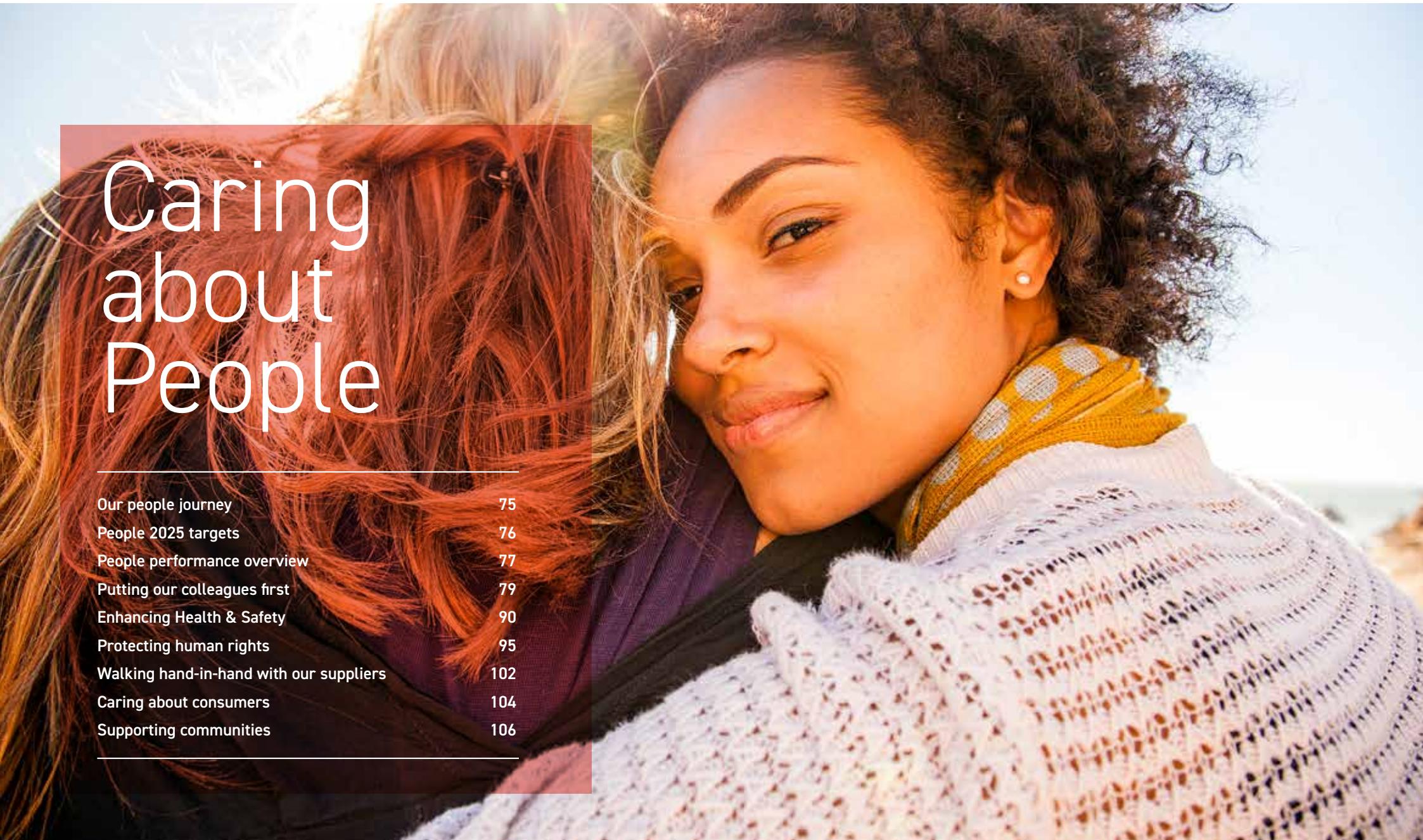


Diet Transformation,  
Firmenich

1. Percentage of natural ingredients in value in our meta formula in Taste&Beyond.

# Caring about People

Our people journey	75
People 2025 targets	76
People performance overview	77
Putting our colleagues first	79
Enhancing Health & Safety	90
Protecting human rights	95
Walking hand-in-hand with our suppliers	102
Caring about consumers	104
Supporting communities	106



# Our people journey



# People 2025 targets

GRI 103-1 • 103-2

Firmenich's Fundamentals highlight the importance of our people and the communities in our value chain.

We maintain the highest standards of human rights, health and safety. In driving business as a force for good across the Group's global ecosystem, we adopt a strong focus on equality, social inclusion and protection for our colleagues in all their diversity. As we continue to strive for recognized positive impact, the challenges of FY22 have helped us to refine and clarify the path we are taking, to keep improving our impact on our people and the communities where we operate.

Valuing human capital is a critical part of our Pathways to Positive strategy. Having achieved Living Wage certification ahead of target in FY22, and being certified for pay equity, we will continue to work towards eliminating ethnic pay gaps. We made further progress on enhancing employees' health and safety and strengthening inclusion in a fast-evolving workplace. We expanded our partnerships and trainings for human rights protection, both within the company and in our supply chains, in line with our targets. In this chapter, we also highlight our work for social progress, transparency and well-being, from the source of our products to the end consumer, as well as our tradition of philanthropy and active community engagement globally.



# People performance overview



## HUMAN RIGHTS IN OUR OPERATIONS

<b>Human Rights in our operations</b> via SMETA 6.1 audits	0 Non Compliance	0 Non Compliance	0 Non Compliance
<b>Living Wage</b> 100% of employees earn at least living wage	Fairwage Network contract signed	Achieved	100% of employees earn at least a living wage
<b>Managers trained on Human Rights</b>	Procurement community trained	Procurement community trained	100%

## HUMAN RIGHTS IN OUR SUPPLY CHAIN

<b>Supplier diversity</b>	N/A	Starting - 4 initiatives	Supplier Diversity Program
<b>Human Rights and responsible sourcing</b> 100 major suppliers trained	N/A	First Sustainability Supplier Summit in October 2022	100 major suppliers trained
<b>EcoVadis</b> Supplier Labor and Human Rights pillar at 60 points	52	56	60
<b>Projects at source</b> Supplier partnerships with a focus on Human Rights farming practices, biodiversity conservation and water management	2	3	10
<b>Key ingredients certified</b>	5	21	50

## SAFETY

<b>TRC Rate below 0.20</b>	0.41 <sup>1</sup>	0.26 <sup>2</sup>	Below 0.20
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1. Data updated from last year's report to include recent acquisitions (e.g. DRT, VKL) as of FY21.

2. Data covers Firmenich Group as of end of FY22 (excl. ArtSci)



## DIVERSITY AND BELONGING

No Gender Pay Gap	Achieved	Achieved	No Gender Pay Gap
No Ethnic Pay Gap	Black Employee advisory council created	Partnership with Historically Black Colleges and Universities	No Ethnic Pay Gap
No Engagement Gap	79% of our colleagues feel they belong at Firmenich	Local D&B strategies in 23 countries	No Engagement Gap
Differently abled people in our workforce	146 people	11% (last Global Inclusion Survey FY21) <sup>1</sup>	5%
Senior Leaders identifying as female or non-binary and/or ethnically diverse	47% <sup>2</sup>	54% <sup>3</sup>	≥ 50%
Including female or non-binary Senior Leaders	30% <sup>2</sup>	37% <sup>3</sup>	
Bias and belonging principles All our employees trained	Pilot training in USA	Mandatory Unconscious Bias training for all <sup>4</sup>	100%
Mental Health	Resilience journey: 919 participants	Global Well-being program 160 Mental Health First Aiders trained +2,300 leaders and line managers engaged in a well-being leadership journey	100% first line managers trained on mental health skills

## CONSUMERS

IFRA Standards	Achieved	Achieved	Achieved
Ingredients transparency Disclosure of ingredients down to 900/100 PPM	Transparency ensured	Transparency ensured	Transparency ensured
Diets Sugar reduction (calories)	-1.76 trillion cal.	-2.0 trillion cal.	-2.0 trillion cal.

1. Based on our employees' self-identification.

2. Internal assessment based on official identity papers, file data and on formal reporting where available (USA).

3. Voluntary self-identification survey conducted in June 2022, in line with data privacy rules in force in the countries of employment. Results expressed in % of those who self-identified.

4. Delivered across our Firmenich Group, excluding acquisitions in FY22. Full deployment as of FY23.

# Putting our colleagues first

GRI 102-41 • 103-1 • 103-2 • 103-3 • 401-1 • 401-2 • 403-6 • 404-2 • 404-3 • 405-1

## Firmenich human capital

As a fragrance and taste company, we place particular value on the expertise and creativity of our teams and people across our supply chain. We are committed to providing a respectful, motivating and fulfilling environment where our colleagues can apply their talent and ability to the full every day. We take pride in investing in human capital to nurture skills and enable learning, ensuring employability and adaptability so that we can thrive together in our ever-changing world and contribute to the wider development of our communities.

How do we do this? By being open to new ways of working and being flexible in adjusting to change. And, most importantly, by ensuring each colleague feels respected, and recognized, valued and rewarded for their contributions to the success of the team and Firmenich.

As a learning organization, we provide opportunities for our people to advance their knowhow – by sharing knowledge and offering training and challenging career opportunities, across roles, teams and our global locations. We are striving to perpetuate our legacy and build our capabilities for the future through youth employment and training programs.

### AMBITIONS

The relentless effects of the global pandemic, and a business environment marked by uncertainties, have reinforced our longstanding values of putting our people first. It has never been more important to support employees and young people around the globe and help them thrive. We are focused on achieving our 2030 ambitions to invest in 500,000 hours of training globally and to create 5,000 job opportunities for youth.

As part of our engagement with the Global Alliance for YOuth and the Global Apprenticeship Network, we strengthened and expanded our partnership to 15 companies and schools around the world and further developed new vocational and learning programs, in Europe, Latin America, and North America. Also, drawing inspiration from successful work-based learning programs we are operating in core areas such as perfumery and taste creation, we developed a Supply Chain Leadership Program, a two-year tailored international skills development program for fresh graduates, in areas including Global Customer Experience Center of Excellence, Manufacturing Operations, Global Planning and Global Engineering.



## PERFORMANCE

In FY22, we have been bolder in our commitment to leadership development, as well-trained managers are key to growing our people. We have provided our leadership 360° feedback tool to our colleagues as part of their development plan. In addition, to support the growth of our talents, we have deployed training sessions for all our people managers to help them drive performance, engagement and transformation, and provide role models for best practice.

This Leadership signature program (Lead Now), reached more than 400 people leaders across the organization. Furthermore, extended online coaching services provide 69 employees with personalized coaching sessions for a period of six months. At the same time, we have implemented the "A Step Forward" program to help accelerate the career movement of key talented women, with the aim of reducing the gap in gender balance we have identified in the upper ech-

elons of some of our divisions. Finally, we have deployed training for all our employees in soft skills related to people management, such as goal-setting, providing feedback, and executing performance reviews, through virtual sessions and eLearning.

All the above complement the many initiatives we are running to develop our people. They demonstrate Firmenich's strong commitment to ensuring that all employees have opportunities to fulfil their potential and develop their skills and ability. This is aimed at unleashing their inner potential, to better contribute to the company's success while strengthening their employability.

We are creating a culture of learning, upskilling and reskilling our people for the jobs of the future. The Human Resources community has developed a skills library and a global learning

strategy to transfer skills and build evolving and new skills, thereby enhancing our people's employability.



## OUR PEOPLE HAVE A VOICE

The last engagement survey in May 2021 showed an engagement score of 7.3, unchanged compared to 2019. While this keeps Firmenich in the rank of the high-performing companies, in FY22 we have built on the feedback acquired during the survey to identify and resolve any gaps. The next survey will be carried out in FY23.

Since the survey in 2021, more than 100 initiatives have been launched across all divisions and affiliates to address newly identified areas for action within their workforce. Well-being was clearly a major concern globally despite the resilience shown by our employees. The loss of in-person interaction during the pandemic, coupled with virtual fatigue, have had an impact on our remote employees. On top of our global well-being and return-to-site initiatives, our individual sites have also linked local engagement action plans with local Diversity & Belonging strategies to address minority engagement gaps. Affiliates worked on re-establishing social connections and a sense of belonging among employees through organized activities.

## FY22 PROGRESS

	IN PLACE
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	✓



## PERFORMANCE

- +125,000 hours of training
- 940 youth opportunities

# Diversity and Belonging

Diversity and belonging sits at the heart of everything we do at Firmenich, from how we recruit and develop our people, through the spaces we create for them to be their full selves and grow, to the way we serve our diverse clients and empower the communities that we partner. A culture of belonging enriches our social capital worldwide and drives real progress and winning performance in the organization.

The past two years have highlighted the importance of providing a safe, inclusive and supportive working environment. In line with previous years, we seek to foster a culture that is inclusive for all, beyond gender to include ethnicity, identity, sexual orientation, different abilities, age, and variety in life backgrounds and experience.

Our Diversity & Belonging policy is designed to reinforce a culture of belonging by providing a working environment free from discrimination, where everyone is respected, heard and valued.

In order to drive diversity, inclusion and belonging everywhere in our company, we have committed to a series of 2025 targets as part of our ESG ambitions.

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), in the last chapter of this report.



“

As a responsible company, we are convinced, now more than ever, that being truly inclusive will empower every person to achieve their full potential. We believe in the power of innovation engaging many different perspectives.

**VERONIQUE BAULET, HR,  
GLOBAL DIVERSITY &  
BELONGING DIRECTOR**



## Case Study

# Training enhances local recruitment opportunities

Our recently acquired ingredients sites in south-western France have launched an innovative recruitment plan to enhance their social positive impacts. The local HR teams have developed long-lasting partnerships with institutional players in the Nouvelle Aquitaine region to support candidates having difficulty finding a job, who do not match the typical recruitment or skills profile. A new recruitment process has been set up, with a non-blocking placement test, called MRS Training Center Case Study (Method of Recruitment via Simulation), not based on a professional and academic background check, but rather focusing on personality skills required for the proposed workstation.

Thanks to this process, a diverse range of people were recruited, with a broad array of professional backgrounds: from porter in a luxury hotel to a cook in Japan; to a hairdresser and a computer scientist.

The selected candidates started their careers on permanent contracts and received recognized training to ramp up their technical skills.



“

After 11 years working as a hairdresser, Firmenich gave me the opportunity to transition to a new career, first by opening its recruitment process to non-chemists, and then by providing me with robust training (CAIC diploma and mentoring program). Working as a production operator since 2019, I am proud to work for a company that supports and gives women positions in chemical production.

EMMANUELLE DANDRE, PRODUCTION OPERATOR, CASTETS PRODUCTION SITE



## PERFORMANCE

89

PEOPLE TRAINED

62

PEOPLE HIRED OUT OF 64 JOB  
SEEKERS (97%)

95%

RETENTION RATE

## DIVERSE LEADERSHIP

We are committed to Diversity & Belonging to drive winning performance and growth as well as to reflect our business and customer footprint. We aim to cultivate an inclusive culture which does not discriminate and provides equal opportunities for all.

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.

We believe a diverse senior leadership team is an essential component of business success that deepens our understanding of our global customer base and workforce, and allows us to attract, retain and develop top global talent.

In June 2022, we conducted a voluntary self-identification survey among our Senior Leadership Team in line with data privacy rules in force in the countries of employment. As of 30 June 2022, 54% of those who chose to answer, self-identified as diverse i.e. as female or non-binary and/or ethnically diverse. Using the same methodology as last year (internal assessment), 48% of our Senior Leadership Team is diverse.

## FOSTERING A SUPPORTIVE CULTURE

Creating a culture that is respectful, and where everybody belongs, is a shared responsibility.

That's why we are uniting forces globally to fight against bias and structural inequalities. We launched a global mandatory course in FY22 on Unconscious Bias. The purpose of this training is to help our colleagues understand why bias or

prejudice exists, how they can recognize it, and what they can do when they experience it.

At Firmenich we are a 11,000-strong team, and each individual is unique. Embracing the power of inclusion of minority groups, securing the engagement of all our colleagues and empowering the best of their creativity and innovation requires a safe and supportive working environment where all of us have equal opportunities. Each of our colleagues should feel safe to discuss ideas, experiment, give feedback and learn from mistakes regardless of their personal identity.

### INTERNATIONAL WOMEN'S DAY : LET'S #BREAKTHEBIAS

On 8 March 2022, we marked International Women's Day, a global call for action to accelerate equality for all women. We called on all our colleagues to unite around the year's theme #BreakTheBias. We launched a campaign internally and externally to listen to the experiences of inspirational female colleagues and hear their advice on fighting gender bias. Everyone is encouraged to actively call out bias, discrimination and stereotyping, affecting women or others, each time they see it. Watch the #BreakTheBias videos on our YouTube channel: <https://www.youtube.com/c/FirmenichOfficial>



### 2025 TARGETS

**+50%**

OF SENIOR LEADERS ARE DIVERSE

### 2025 TARGETS

**100%**

OF EMPLOYEES TRAINED ON BIAS  
AND BELONGING PRINCIPLES



# Gender equality and beyond

Our model for action makes clear that we can only help make the changes we want to see in society if we ensure our own house is in order, by focusing on our workplaces and operations. Gender equality is at the heart of our strategy for achieving equity in our policies and practices, leadership development, talent recruitment and selection, as well as representation and retention. We set ourselves a target of building a gender-balanced organization. Today, more than 37% women work at Firmenich. Additionally, four out of nine of our senior Executive Committee are women and 40% of our Director roles and above are held by women.

We reward our colleagues for their contributions to business results and provide a competitive package with clear and competitive rewards policies. We have a long-standing commitment to equal pay for equal work. An annual statistical gender pay analysis is performed to ensure no gender pay gap exists around the world.

We have been globally certified as gender equal by EDGE since 2018.

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.

Through their rigorous standards, EDGE rewards our continuous progress in expanding diverse representation at all levels, including achieving gender parity in our Executive team, reaching pay equity and fostering a strong sense of belonging among our diverse workforce worldwide thanks to inclusive policies, benefits and practices. Next fall, the second group will bring together more than 40 participants.



## PARENTAL LEAVE

Our gender-neutral parental leave policy covers all types of families for both childbirth and adoption. We disclosed information on parental leave and the total number of employees that took parental leave, by gender in [Chapter 7 under performance tables](#).



A Step Forward is an acceleration program designed to boost the development of key talented women and prepare them to move up in their careers.

This six-month program consists of external coaching sessions to work on their development areas, enabling them to learn from the experience of internal female mentors from executive teams, as well as community events to support each other and network.

The first edition started in February 2022, with 36 participants from business units that have lower female representation.

## 2025 TARGETS

### Maintain

OUR EDGE CERTIFICATION

## 2025 TARGETS

### NO

GENDER PAY GAP



## NO ETHNIC PAY GAP

In an effort to increase our outreach and attract diverse talent, the Diversity Inclusion and Belonging Council (DIB) in Firmenich North America has engaged with Historically Black Colleges and Universities. We have participated in student fairs at Howard University and Spelman College and continue to explore partnership opportunities through internships, programs and events. We are focusing our efforts on accelerating representation of African American/Black citizens in our workforce with targeted actions for leadership positions from Director level and above. By driving action in our talent framework, we have increased the diversity of hires and specific programs for black employees meeting specific criteria. As a result of this focus in North America we have increased our Black leader population in Director positions and above from 1.8% (FY21) to 3.6% (FY22).

## NO ENGAGEMENT GAP

We aim to build an equitable workplace where everyone feels they belong. To embrace local cultures, address local challenges and leverage local opportunities, 23 countries have implemented a local Diversity & Belonging strategy based on our global strategic goals and aiming to reach our ESG 2025 targets. In total, more than 300 objectives have been launched to make our Global D&B strategy relevant at a local level and help reduce any engagement gap, with people self-identifying as part of a minority group in our engagement survey.

## FOCUS ON NORTH AMERICA DIVERSITY & BELONGING STRATEGY

Our major achievements in North America in FY22 include:

- Major investment devoted to comprehensive, intensive training (980+ hours) for 100+ leaders in NAM in areas such as Micro-aggressions, Inclusion & Belonging, Allyship & Sponsorship and Inclusive Talent management. A simplified version of the same training was recently launched for a broader range of our employees (2,000+ employees).
- Learning Table events held throughout year on various topics such as Black History Month, Pride Month and more
- Engagement with Historically Black Colleges and Universities
- Listening Circles to foster open dialogue, support and allyship with African American/Black, Asian, Hispanic/LatinX, Working Parents and Women in the workforce communities. New Employee Resource Groups blossomed in addition to FirLessly Black formed in FY21: InspirAsian and FirProud, with more to come.

Our area of focus

GENDER EQUALITY

DIFFERENTLY-ABLED

LGBTQIA+<sup>1</sup>

ETHNICITY AND  
CROSS-CULTURAL  
DIVERSITY

Our strategic pillars

BE DIVERSE

BE INCLUSIVE

BE A ROLE MODEL

Examples  
of local  
initiatives

- Equal training and development opportunities for both genders
- Ensure women's representation at all management levels
- Promote open positions externally to organizations for differently abled people.

- Inclusive Leadership local trainings
- Local HRs trained on inclusion awareness campaigns and workshops on differently abled people, LGBTQIA+ inclusion.
- Implementation of local Employee Resource Groups
- Local D&B committees

- Partnerships with local NGOs such as L'Autre Cercle in France, differently-abled organizations.
- Partnerships with organizations for differently-abled people.

<sup>1</sup>. Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and assimilated.

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

In the world, one person in seven is living with a disability. And those with a disability are among the most marginalized populations in terms of employment and educational opportunity. Removing the barriers facing people living with disabilities is long overdue. Building on our long-standing commitment of welcoming people with different abilities, we set ourselves the target of having 5% differently abled people in our workforce. To achieve this target, we made a commitment with the Valuable 500 in December 2019.

**PERFORMANCE**

- 11%<sup>2</sup> of our people identified as differently-abled in our Global Inclusion Survey
- Partnerships with 15 local organizations
- 26 blind or visually impaired in 5 countries

In FY22, Firmenich Paris launched an ambitious three-year program which aims to recruit people with different abilities and maintain the employability of those people. The first year focused on education, with a monthly newsletter and specific training for Human Resources colleagues and managers.

**TRADE UNIONS AND SOCIAL DIALOGUE**

Social dialogue is valued across our organization globally to support performance and long-term planning. The Chief Human Resources Officer, a member of the Executive Committee, leads social relations across the organization. Approximately 37% of our employees are covered by collective bargaining agreements (at industry or national level)

and 40%<sup>1</sup> of our employees are represented through formally elected representatives. Firmenich is a member of the UN Global Compact, which incorporates the International Labour Organization (ILO) fundamental conventions including on trade unions.



1. As of November 2021.

2. Based on our employee's self-identification run in FY21, next one will happen in September 2022.

# Achieving Living Wage for all

As a leading responsible company, driving an inclusive business model has always been our priority. We strive to create value for all our stakeholders today and for the generations to come through our business and all along our value chain. We stand and act for a fairer and more equitable society. As part of our Pathways to Positive, we initially committed to ensure 100% of employees earn at least a living wage across the Firmenich Group by 2025, but there's no reason to wait. Today, we are extremely pleased that we achieved our objective this June 2022. 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.



Firmenich is now one of only two companies in the world, and the first in our industry, to be globally Living Wage Certified by Fair Wage Network, a rigorous and widely recognized international NGO.

## 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.

Beyond doing the right thing for Firmenich employees and their immediate families, Living Wage certification reinforces our equitable culture and helps to stimulate economic growth with benefits for our colleagues, and the communities where we operate.

In Spring 2021, we conducted market analysis to investigate the approach and roadmap of our primary customers. At the same time, we contacted the main organizations that could support us in becoming living wage certified, to discuss their methodology and their experience and expertise. Following a comprehensive process, Fair Wage Network was selected as our global provider, supplying data and ensuring a robust assessment as well as providing support in building a remediation exercise to implement any necessary improvements in pay levels. In order to determine the Living Wage levels, the following elements were considered: household size according to local fertility rate, number of average income earners per family, the most accurate location available, fixed compensation only (excluding overtime payments, bonuses linked to performance, in-kind benefits and any other variable compensation item). In June, Fair Wage Network certified our concrete achievements in embedding fair compensation across our Group. Building on accomplishments such as no gender pay gap, equal representation on the Executive Committee, and a culture of diversity and inclusion, this certification will further strengthen Firmenich's profile as a leading global employer.

## ANALYSIS

An analysis was performed comparing internal compensation levels versus market data collected and validated by Fair Wage, including an evaluation of our wage practices and employees' feedback on wages and living conditions.

## REMEDIATION PLAN

A remediation plan was set for all cases that needed to be adjusted.

## SHARING

Living wage levels were shared with each of our countries to prevent any hiring below living wage level.

Methodology

## LET'S RAISE THE BAR!

We are also working with customers who champion a living wage approach in their value chain. We share our approach and progress as a leader in social responsibility.

Firmenich is also participating in living wage groups, including the UN Think Lab on Living Wage; The Sustainable Trade Initiative (IDH); Sustainable Vanilla Initiative (SVI).

## 2025 TARGETS

**100%**

OF EMPLOYEES EARN AT LEAST A LIVING WAGE ACROSS THE FIRMENICH GROUP

# LGBTQIA+ inclusion in our workplace

## PROGRESSING ON LGBT+ INCLUSION

We are proud to ally with, celebrate and advocate LGBTQIA+ rights.



In May 2022, we joined the **Stonewall Diversity program**, joining a community of over 900 employers. We aim to collaborate with and learn from our peers to keep us at the cutting edge of practices. As a proud Diversity champion, we position ourselves as an LGBTQIA+ inclusive employer of choice, with access to dedicated careers sites as well as country guides, and receive advice and guidance to review our practices if needed.

## FIRPRIDE TALKS

In June, we had more than 400 participants around the world joining us to listen and learn from our LGBTQIA+ colleagues and allies. Under the slogan "Be yourself", we actively support the LGBTQIA+ community. We promote a working environment where everyone can be themselves – regardless of sexual orientation and gender identity.

Our commitment towards LGBTQIA+ inclusion started in 2019 with the signature of the United Nations LGBTI Standards of Conduct and reinforced in September 2020 with the award of the Swiss LGBTI Label.



Firmenich India has been recognized as a 'Bronze' employer for the India Workplace Equality Index (IWEI) 2021.

The Bronze Award is assigned to employers who have started their journey to better LGBTQIA+ inclusion at work by developing inclusive policies and initiating activities that promote LGBTQIA+ inclusion for employees.

The India Workplace Equality Index enables organizations to navigate the challenge of upholding inclusive values and make progress towards LGBTQIA+ equality within their workplaces. IWEI is modelled on the Stonewall UK Workplace Equality Index, a leading benchmarking tool for LGBTQIA+ inclusion in the workplace that engages with more than 500 organizations, helping to build an inclusive and safe space for their LGBTQIA+ workforce.



Firmenich Paris signed L'Autre Cercle's LGBT+ "Commitment Charter" in May 2022. Co-constructed with several companies at the initiative of Accenture. It provides a formal framework by including the LGBTQIA+ theme in a policy to promote diversity and prevent discrimination.



L'autre Cercle  
event, Paris, France

# Nurturing well-being in our workplace

## SMARTER WORKING TO RECONNECT

Two years of living with the COVID-19 pandemic has completely reshaped our ways of working and our views on life at the office. We continue to offer flexibility, our policy since 2018, while adapting it to the new normal.

We trust colleagues, whose type of work allows such flexibility, to allocate their time between working remotely and on-site, deciding how and where they can be most productive, while staying focused on meeting our business objectives.

We value being together and endorse a Hybrid Working Model with a minimum number of days per week spent in the office. Creativity and innovation are paramount to our business and the best ideas are born when we come together as a team. We want our colleagues to feel part of the Firmenich family, with a sense of belonging and shared purpose.

Our physical and virtual workplaces are hives of collaboration, places where everyone can grow and feel at home, where we can support each other and exchange ideas and best practices.



In FY22, to help employees who had to rely 100% on remote working to return and reconnect in-person with their colleagues, we launched a Return to Site initiative. This combination of local events and global support culminated in the launch of our Smarter Working booklet, which aims to provide guidance on navigating the Hybrid Work Model. Whether our colleagues work from home or in the office, we want them to perform at their full potential.

## MENTAL WELL-BEING TO THRIVE

Caring about our colleagues, and ensuring their safety, are longstanding company values we hold dear. This includes mental health, to allow each individual to thrive in their workplace, family and community. Supporting the well-being of each and every individual colleague in our Firmenich family is a key to our success.

In FY22, we launched our most ambitious well-being program ever. We have partnered with Thrive Global, a company that provides behavior change technology, to help our top leaders and line managers better manage stress, improve focus, and strengthen their connection with their colleagues. In total, over 2,300 senior colleagues received advanced training and tools to create a work environment in which well-being and mental health are key.

In marking World Mental Health Day in October 2021, we engaged our colleagues to be positive role models and to share a picture or comment on the intranet showing something that had helped them with their own mental health in the preceding months.

Over 160 colleagues (79% of the Human Resources and Health, Safety & Environment line managers, our focus area in FY22) around the world have been trained and certified as Mental Health First Aiders to provide compassionate and mental support when needed. They are a point of contact for anyone who is experiencing a mental health issue or emotional distress, and will provide guidance and support – including to obtain appropriate help from healthcare professionals – in full confidentiality.

In May 2022, we launched the Firmenich Mental Well-being Awareness course, available to all our colleagues including on shop floors. This course is designed to help raise our awareness of how mental and physical health affects our overall well-being, and how we can all take care of ourselves in practical and sustainable ways every day. Over six months, the course will deliver five micro-learning modules to all employees at Firmenich.



## 2025 TARGETS

**100%**

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



“

It is so important that Firmenich prioritizes the well-being of its people to allow them to perform at their best by engaging its leaders to behave as role models.

**ARIANNA HUFFINGTON, FOUNDER AND CEO AT THRIVE**

# Enhancing Health & Safety

GRI 103-1 • 103-2 • 103-3 • 403-1 • 403-2 • 403-4 • 403-5 • 403-6 • 403-7 • 403-8 • 403-9 • 403-10



Firmenich  
manufacturing site,  
Geneva, Switzerland

- 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).

## 2030 AMBITIONS

<0.20

SUSTAIN AND FURTHER IMPROVE OUR INDUSTRY-LEADING SAFETY PERFORMANCE BY ACHIEVING A TOTAL RECORDABLE CASE (TRC) RATE OF LESS THAN 0.20

## PERFORMANCE

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 FY22 achievements include:

- CHF 14.6 million invested in health and safety projects
- 0.26 Total Recordable Case (TRC) rate (37% improvement vs. our FY21 baseline which included for the first time all M&As)
- 1.14 PSE incident data and rate
- 29 manufacturing sites with zero recordable injuries
- 5 manufacturing sites achieved greater than one million exposure hours injury-free

# Occupational Health & Safety management system

62% of our production sites are ISO 45001 certified. The goal is to reach 100% by 2025, mainly through our mergers and acquisitions. 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 as well as our corporate management principles and operational codes. Our management system applies to all employees, contractors and partners, regardless of their role or work location.

In 2022, we built a "Lock Out, Tag Out, Try Out" standard derived from our LOTOTO operational code. The purpose of this standard is to explain how to implement the code in practice ("how-to") and emphasize the essential elements that need to be met to increase our level of excellence in this area.

## ROBUST QHSE AUDITS

To track performance and drive continuous improvements, we conduct regular quality, health, safety and environment 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. From FY21, due to COVID-19 travel restrictions, we have developed a successful hybrid auditing methodology and conducted both on-site and remote audits at 4 sites, in a spirit of trust and co-ownership. Despite lockdown measures, we looked for ways to stay connected during this new normal and maintain our audit program.

To support our site compliance program, in FY22 we have developed a tool and associated guidance to help site management in conducting an annual self-assessment based on the QHSE Management Principles and Operational Codes. Accountability for conducting this annual review lies with the Plant Director, with assistance from their team, local QHSE management, and other support functions.



# Occupational Health & 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 engage all colleagues, active in plants and laboratories, 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.

All Firmenich entities use the same incident reporting and investigation system, as well as Corporate guidelines, and an online management system for recording and reporting. The Health, Safety and Environment (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, an action plan and approval process. The IMS is a strong driver of continuous improvement as it provides data, analysis, transparency, and assigns ownership and accountability for managing identified improvement opportunities.

We use a standardized risk assessment methodology at all sites. This 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 operational staff and management. This process is continuous and constantly improved by any lessons learned or conclusions from incident investigations.

## INVESTING IN SAFETY

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 FY22, we invested CHF 6.7 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 upgrading fire detection to the highest standards. Two major projects stand out: the main warehouse sprinkler upgrade in our Switzerland plants, and the installation of a tank farm for foam protection in one of our plants in the USA. Management and employees are required to diligently report, investigate and address incidents under our HSE Management Principles and Operational Codes.

To ensure the contractors working at our sites share Firmenich's commitment to safety, in 2021 we launched a new contractor management program in the North America (NAM) region. Contractors must have excellent safety records, safety procedures, etc. to work on Firmenich NAM affiliate manufacturing sites. The program is administered through our partner, ISN, a well-recognized third-party Contractor Management firm.

# Physical & mental health protection

## OCCUPATIONAL HEALTH

We use a risk-based approach to help avoid occupational illness, keep the frequency rate to a strict minimum and ensure our employees feel safe at work. Our process covers exposure assessment and primary control measures to reduce employee exposure. For example, 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, we ensure that all our staff receive medical attention through our on-site medical services and external providers. Health concerns are reported globally by our medical services through our global IMS tool and our Global Occupational Health Network, which comprises doctors, toxicologists, industrial hygienists and health & safety and environment specialists. This cross-functional group reviews risk assess-

ment 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 also marked the World Day for Safety & Health at Work on 28 April 2022 with a strong focus on well-being. Our approach to safety is holistic, and both mental and physical well-being are essential elements of our H&S strategy. We have launched several initiatives to create a work environment where everyone is protected and feels safe, which are detailed in the section on [Mental Health](#).



## SAFETY AWARENESS TRAINING

We launched a SafeStart training program in 2021, which focuses on human factors, the human elements of systems and conditions that influence performance, reliability and safety. Four pilot sites in the U.S., Switzerland and China have already started. And 14 new sites will start in FY23.

This program will enable a cultural transformation within the organization, creating an environment where employees are better equipped to take care of themselves and their colleagues, and developing self-awareness as well as essential understanding, skills, and awareness of safety hazards. It will also include mindfulness about potential critical errors such as not having one's eyes or mind on the task, being in harm's way, or losing balance, grip or traction. The program is designed to improve safety performance and reduce the risk or likelihood of an incident.

We also involve colleagues through projects that improve and sustain H&S conditions. Our continuous training and awareness building is managed via a Learning Management system for employees and contractors, and also manages HSE induction for new employees, visitors and colleagues involved in new activities. Through 2021, we implemented and developed new digital tools, such as a process safety training video including a virtual live session, virtual reality and gaming to strengthen our training experience, adapting to the new reality of remote work and creating enthusiasm for training. 500 people across 30 affiliates attended one or more live sessions in 2021. Safety training averaged 18 hours per year over the past five years for every employee and supervised contractor in our supply chain.



Firmenich  
manufacturing site,  
Geneva, Switzerland

## Reinforcing our leadership in safety



Firmenich  
manufacturing site,  
Geneva, Switzerland

For the third consecutive time, the Royal Society for the Prevention of Accidents (RoSPA) in the UK awarded Firmenich a Gold Award for our global health and safety performance in FY22. RoSPA Gold Award recipients are recognized as world leaders in health and safety practice. We are 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 can all be very proud of this international recognition, as it demonstrates that all of us are striving to make safety a core value. We remain committed to continuing to lead by example in the industry, by raising health and safety standards and continuing to protect our colleagues, our facilities and the surrounding communities.

**SYLVAIN ROSSET-LANCHET,  
SNR DIR GLOBAL HEALTH &  
SAFETY EXCELLENCE**

Errol Taylor, RoSPA  
CEO and Sylvain  
Rosset-Lanchet



# Protecting human rights

GRI 103-1 • 103-2 • 103-3 • 403-6 • 403-7 • 412-1 • 412-2 • 414-1 • 414-2

## Human rights management

As a values-driven company, human rights remains one of our key concerns. From ensuring health & safety, including during a pandemic, to standing up for social justice, Firmenich strives to protect individuals and reduce inequalities. Established in 2021, our Human Rights Policy complements our Code of Ethics and Business Conduct as well as our Responsible Sourcing Policy. This policy outlines our commitment and approach to human rights as well as our expectations of our business partners. We believe that collaboration between different actors is critical to promote human rights implementation and scale up positive impact.

As a responsible company, our commitment is to uphold the highest human rights standards across our activities and those of our broader value chain. An essential part of this approach involves conducting regular human rights due diligence through SMETA 6.1 audits by Sedex, EcoVadis questionnaires, and the Union for Ethical BioTrade (UEBT) 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 and became a member of the Labour and Decent Work as Impact Sponsor in 2022.



## Training at source

Human rights is an essential part of our Responsible Procurement program. As such, human rights education is embedded within our Sourcing Managers Training program. This matters as it helps foster key behaviors and attitudes we expect from our next generation of leaders. It allows our managers to engage more effectively with our suppliers and tackle specific human rights concerns in their respective areas at source. Along with other policies, we ensure that our teams are fully engaged and trained on this important topic. This training plays an important part in delivering our ESG 2030 Ambitions.

HUMAN RIGHTS TRAINING	HOURS TRAINED
Safety trainings	6,751
Sustainability & policies	4,975
Bias	1,307
Belonging principles	2,248
<b>Total</b>	<b>15,281</b>

Scope: Firmenich's Group fix employees (excluding ArtSci).

We continue building awareness on human rights through training and engagement. We seek to train targeted audiences with appropriate tools so they can further integrate human rights in their day-to-day role and function.



# Human rights in our operations



## SEDEX - SUPPLIER ETHICAL DATA EXCHANGE

Sedex is one of the world's leading ethical trade service providers, acting to improve working conditions in global supply chains. This positions it as a strategic third party for the verification of our human rights impacts. For the last 13 years, this platform has helped us to improve the performance and production of our manufacturing sites. We use this tool as a buyer (requiring our suppliers to conduct SMETA audits) as well as a supplier (in order to meet our customers' requirements).



## SMETA - SEDEX MEMBERS ETHICAL TRADE AUDIT

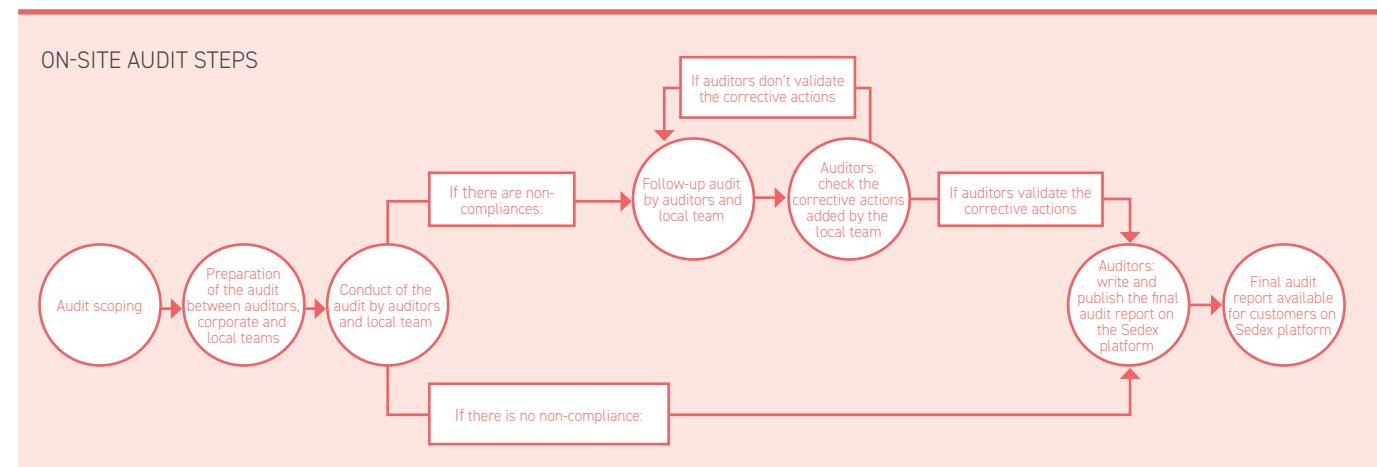
Documentation and audits of Firmenich's production sites are available on the Sedex platform to any registered member upon request. 100% of our audits are based on the SMETA 6.1 4 pillars methodology and standard, the world's leading social audit. Labor standards, health and safety, business ethics and environment are the four pillars of SMETA audits, and we share our reports with over 100 customers via the platform.

### 2025 TARGETS

## Zero Human

RIGHTS NON-COMPLIANCE IN OUR OPERATIONS VERIFIED BY SMETA AUDIT

NON-COMPLIANCE NAME	COMPLIANCE DEFINITION AND SCOPE	FY22 PERFORMANCE (INSTANCES)
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	0
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	0
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	0



# Human rights in our value chain

At Firmenich we operate an "Inclusive Capitalism" business model: we grow our business while creating long-term value for all our stakeholders. Protecting nature, ensuring the safety of the communities we operate in, and respecting human rights sit together at the core of our business strategy. Our values, policies, and actions in these areas are a critical component of our company's efforts to contribute to the SDGs. Our objective is to generate positive impact on Nature and People. Therefore, as a responsible company, we seek to uphold the highest human rights standards across our activities and those of our broader value chain.

Our Responsible Sourcing policy, introduced in 2020, requires our suppliers to monitor their environmental and social impacts through independent third parties such as EcoVadis and Sedex. We believe field-based collaborations are critical to stimulate transformation and drive positive change.

We are building on our initial digital traceability experiences to design and deploy of a full traceability strategy. In order to identify and prevent human rights risks in our business and our value chain, we require our suppliers to comply with our set of policies, as well as our human rights due diligence approach. One of the tools proposed to mitigate such risk is an escalation and assessment process for cases of suspicion of non-compliance raised by our Sourcing Managers, with robust field assessment methodology.

## 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.

Reinforcing this framework, internal governance around Responsible Procurement has been strengthened in FY22 to manage all topics related to Responsible Sourcing. This includes human rights-related strategy, management and actions, to create an effective escalation and management process and deliver effective results:

- A Responsible Procurement Steering Committee, chaired by the Chief Procurement Officer and composed of the different Business divisions, the Procurement Leadership team and a representative of the QHSE team and from the Corporate Sustainability team. This committee is in charge of overseeing the Responsible Sourcing Policy strategy and Responsible Procurement approach.
- A Responsible Sourcing Committee, chaired by the VP Responsible Procurement, and led by the Responsible Sourcing Director together with other Procurement directors and a Corporate Sustainability team representative, is in charge of ensuring the proper implementation of the Responsible Sourcing-related actions.

- The Responsible Sourcing team within Procurement has been created to work in collaboration with Sourcing Managers to accelerate and support the uptake of suppliers' engagement on sustainable certification and projects where relevant. The team is supporting the Sourcing Managers to address escalation of potential non-compliance on sustainability practices.

Our responsible sourcing strategy is based on the following key drivers:

- Suppliers' engagement with EcoVadis & Sedex to monitor our risk and due diligence in our value chains.
- Embedded in the sourcing development strategy, our projects in the field strive to support a fact-based sustainability approach to bring positive impact and change in supply chains on People and Nature. New programs have been launched in FY22, supported by our digital traceability & sustainability monitoring tool Path2Farm™.
- Scaled up certification efforts related to sourcing.

## 2030 AMBITIONS

**90%**

OF OUR SUPPLIERS SPEND RATED  
ECOVADIS SILVER OR HIGHER



## SUPPLIER ENGAGEMENT

We expect all our suppliers to comply with our Responsible Sourcing Policy, Code of Ethics, Human Rights Statement and Supplier Expectation Manual.

The documents listed below provide the foundation for collective action to make a positive impact and focus on six main principles:

- Acting with integrity, compliance and business ethics
- Respecting human rights, people, health & safety
- Respecting the environment and biodiversity
- Ensuring the highest standards of product safety and quality
- Ensuring business continuity
- Respecting confidential information

In addition, Firmenich has developed a matrix to evaluate its suppliers with multiple rankings (i.e. "Fundamentals", "Bronze", "Silver", "Gold" and "Platinum"), allowing us to monitor suppliers and help them to improve alongside us.

Since March 2020, we have been encouraging and providing support for our suppliers to adopt the EcoVadis rating platform, to measure and improve their sustainability performance.

Thanks to their responses to the EcoVadis assessment, and by sharing their scores with us, we are able to monitor our supply chain coverage in key areas such as the environment, people, ethics and responsible sourcing practices. These scores are integrated into the corporate Risk Management Tool (RMT).

We set targets to raise the global score of our suppliers on the Labor & Human Rights pillar to 60 out of 100 points by 2025, and by 2030 to have 90% of our supplier spend qualified as EcoVadis Silver.

Firmenich encourages its suppliers to be in a continuous improvement mindset, to progressively implement world-class best practices. We additionally support their implementation of corrective action plans provided by EcoVadis before any reassessment.

## PERFORMANCE

In FY22, we have reached a coverage of 74% of suppliers (in terms of direct spend) reporting to the EcoVadis platform and sharing their scorecard with us; 47% reached an EcoVadis silver rating or better.

In addition, our suppliers' current average score on the Labor & Human Rights pillar reached 56 points, +4 points compared to the previous fiscal year.



# Human rights at source



To reinforce our capacity to address human rights risks with our suppliers, our strategy is based on two axes: first, 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. Second, ensure that concrete action is taken in our supply chains when facing human rights-related challenges, leveraging the "projects at source" approach to intervene with our suppliers, on the ground, as well as to reinforce our digital traceability capabilities and feedstock certification.

## 10 new projects

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

Building on previous cycles of project results, our approaches, governance and tools have been reviewed and further improved in FY22 to take our results to the next level for 2025. A dedicated team has been expanded to lead these activities, bringing together expertise in value chains and on-the-ground experience of sustainable production and sourcing.

Grounded into our ESG targets for 2025 and strengthening governance, project frameworks have been re-evaluated to enhance integration with our strategy and business growth. The aim is to provide data-proven impacts and build our suppliers' capacities and capabilities allowing better project implementation and monitoring.

Therefore in the current cycle, whenever relevant, our projects will include a human rights driver, related to living wage, women's and community empowerment, entrepreneurship or children's education. As our projects at source require a good level of interaction with all our stakeholders (customers, suppliers, farmers), ensuring robustness in our project management is essential. That's why we chose to involve suppliers and customers in our Projects journey. Building on our experience, as of end FY22 we are running five projects in different regions such as in Indonesia, India and the Indian Ocean.

## CONFLICT MINERALS

We strive to operate within a responsible supply chain, respecting and supporting human rights as evidenced by our Human Rights Policy Statement, our Code of Ethics and Business as well as our Responsible Sourcing Policy. As a responsible company, we are also committed to supporting our customers' endeavor to comply with their reporting requirements related to the exposures that might occur in their own value chains.

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 a few 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 a raw materials introduction process.

Additionally, Global Regulatory Services review the supplier's certificate(s) to reduce risk of non-compliance with the applicable regulations. As 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 an alternative source of supply.

## Case Studies

## Madagascar



Mahadera,  
Madagascar

In Madagascar, Authentic Products, one of Firmenich's major suppliers since 2010, has been engaged in supporting farmers' sustainable development, setting up a fair trade certification and using the fund in several community projects. In order to scale up farmers knowledge on diverse topics such as environment protection, diversifying agricultural production, managing cashflow and accessing family planning.

Firmenich and Authentic Products decided to invest in more accessible training programs - basic and professional ones. In partnership with the NGO Fert, a joint project to support the development of a youth professional farming school called "Mahadera" was launched in 2019. In FY22, more than 85 local students were already taking part in this three-year curriculum (27 in the third year, 34 in the second year and 26 in the first year). Thanks to expert guidance and the school's 25 hectares of demoplots, the students can acquire a comprehensive technical agricultural skillset by experimenting with diverse cash and food crops, with a focus on vanilla, as well as poultry and small livestock.

To guarantee the best success for the students, the school is helping each of them to find a professional internship at the end of each year.

Furthermore, Authentic also engaged with Firmenich on strengthening transparency on farmers' practices and respect for human rights, using the Path2Farm™ traceability tool. A pilot phase was launched in 2020, and the latest survey campaign in five areas of northern Madagascar (Sambava Amparihy, Sambava Ambatofo, Andapa, Vohémar, Antalaha) provided information on livelihoods, farming practices and farm profitability of 3,248 vanilla-producing households.

## India



Jasmine,  
Firmenich

In 2014, we entered a joint venture with Jasmine Concrete, the largest manufacturer of floral extract in India, to tackle certification challenges on their jasmine grandiflorum supply chain. Our partnership has enabled this supply chain to reach the Ethical Sourcing level of UEBT verification, which is recognized by all our customers as one of the most demanding ratings for social and environmental criteria.

The company has been sourcing jasmine grandiflorum flowers from smallholder farmers for more than 15 years. Implementing UEBT's standard allowed us to contribute to a keynote improvement in human rights -- ensuring a living wage for the farmers by negotiating a fair annual contract with them, independent of market price fluctuations.

These efforts also contribute to our ambition on Nature and an impactful project at source (more details in [Chapter 4 on Embracing Nature](#)).

## Path2Farm™



Monk fruit is a natural, plant-based sweetener, and thus key ingredient for our sugar reduction business. Major progress has been achieved in FY22 in advancing transparency and compliance in this fruit's complex supply chain thanks to our end-to-end digital traceability tool, Path2Farm™.

Our efforts are aiming at offering first-mile traceability from a set of registered farmers to Firmenich. Working hand-in-hand with our supplier, the tool was developed and used to ensure risk mitigation. It is designed to improve transparency and insight into the smallholders' agricultural practices, as well as human rights and environment protection in the supply chain. In FY22, 1,587 farmers have been interviewed in five cooperatives.

## PERFORMANCE

Our results in FY22 for the three ESG pillars open new perspectives, and in FY23 our next steps will aim to:

- Expand our efforts to create fact-based impacts at source by partnering with more suppliers to launch new projects at source
- Support our suppliers in their efforts to certify their supply chains according to sustainable standards
- Deploy Path2Farm™ implementation in new strategic supply chains.

## 2030 AMBITIONS

**50**

KEY INGREDIENTS CERTIFIED

## CERTIFICATION OF INGREDIENTS

In our responsible sourcing collection, we are striving for third-party sustainability certification of 50 key ingredients. This will be achieved either through our suppliers' own initiatives or collaboration between Firmenich and our customers on specific requests.

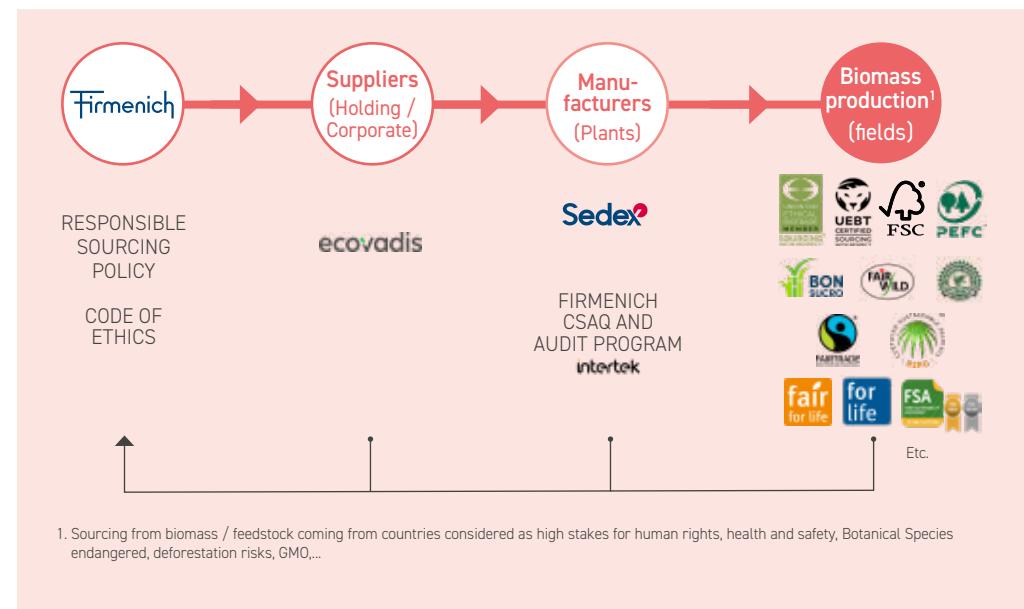
We have selected and partnered with the most advanced and recognized standards bodies in our industry.

In FY22, we continue to onboard our suppliers on a transformational journey to obtain independent third-party sustainable certification or verification of major social, environmental and ethical standards for a list of ingredients.

Selection of the ingredients depends on business needs and risks inherent to the natural feedstock(s) (e.g. sourcing country, species, etc.).

In FY22, we managed to secure 100% of our coverage with sustainably certified feedstock for 21 ingredients. We have a clear roadmap to scale this up with interesting ingredients in the pipeline.

Find out more about our responsible sourcing in [Chapter 4 on Embracing Nature](#).



# Walking hand-in-hand with our suppliers

GRI 103-1 • 103-2 • 103-3 • 403-7

## Management and collaboration program

Our Supplier Management and Collaboration program provides 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-conformity
- EcoVadis, Sedex and CDP performance data

Responsible Sourcing dashboards were integrated in the developed proprietary Risk Management Tool (RMT) managing the whole source of supply (raw materials, manufacturers, suppliers, Firmenich production sites, etc.). This merged all available sources of information into one overview, including, but not limited to EcoVadis and Sedex supplier scores. This approach, together with the use of Riskmethods® (external tool), enables 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.

### SUPPLIER HEALTH & SAFETY

Firmenich recognizes the ongoing health & 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 to enhance health & safety. The supplier self-assessment, the Supplier Expectations Manual, supplier audits and the EcoVadis/Sedex assessments all contain strong tenets on health & safety, encouraging our partners to raise the bar to protect the well-being of their collaborators and ensure an efficient management of their human rights risks.

All these sources of information are collected and consolidated in the RMT. We then conduct a detailed analysis to identify supplier health & safety best practices or improvement opportunities. The Procurement team strives to continuously challenge suppliers to go beyond the minimum requirements, to better ensure the health & safety of anyone involved in our value chain.

### SUPPLIER EXPECTATIONS

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

The Supplier Expectations Manual stem from our procurement strategy and increases transparency within the Firmenich supply chain. The manual, has been shared with all our stakeholders. It has been designed to clarify our expectations and engage our suppliers in a continuous improvement journey. In parallel, a new approach to Supplier Self-Assessment has been set in order to ensure data gathering on the level of compliance with the Supplier Expectation Manual and Responsible Sourcing Policy.

### PERFORMANCE

The FY22 Supplier Audit Plan was launched in July 2021, 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

In spite of COVID-19, Firmenich performed 108 supplier audits.



# Enabling supplier diversity

As part of our ESG journey, we keep investing in an impactful and innovative approach to supplier diversity. This year Firmenich has focused its efforts on creating collective action to help streamline and standardize reporting and KPIs in this area, to improve scalability and impact.

Our Chief Procurement Officer, Gianluca Colombo, has pushed for this as an active member of the EcoVadis Customer Advisory Board. EcoVadis is a provider of business sustainability practice ratings for more than 100,000 companies. A cross-industry working group has deployed a more in-depth version of the Human Rights pillar of the EcoVadis questionnaire, allowing for identification of certified diverse companies, as well as companies' efforts in the field of Diversity & Inclusion with their own workforce and suppliers.

Finally, the following initiatives have continued to drive positive change through our purchasing power:

- A U.S. supplier diversity program for women-owned businesses and ethnic minority-owned businesses
- Partnerships with European companies, Entra and Sgipa, 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.



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We are committed to driving collective action on D&I along our value chain.

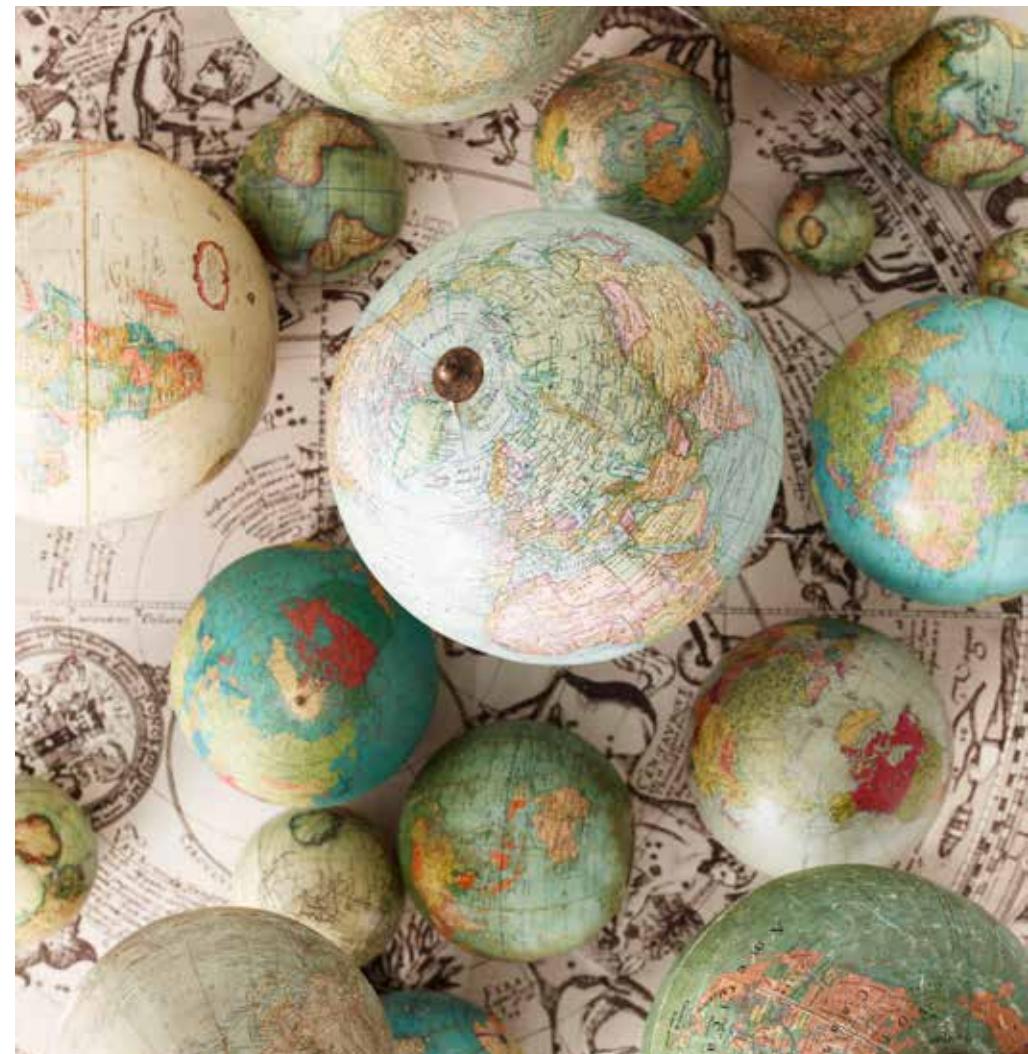
GIANLUCA COLOMBO, CHIEF  
PROCUREMENT OFFICER

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2025 TARGETS  
**Train 100**  
MAJOR SUPPLIERS ON HUMAN RIGHTS

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2025 TARGETS  
**Launch**  
A SUPPLIER DIVERSITY PROGRAM



# Caring about consumers

## Perfumery

The application of International Fragrance Association (IFRA) standards ensures that our fragrances, which are fundamental components of a wide range of essential consumer products, are created according to the highest standards of safety. In addition to driving full compliance of these products with IFRA standards, Firmenich adheres to applicable chemical and product regulatory requirements across the globe. As the chemical regulatory environment matures, our teams actively work for sustainable and relevant regulation for people and the environment.

Our Perfumery division is also committed to providing transparency on the ingredients in our fragrances, in a way that enable the customer and consumer to make informed decisions. Our next generation of EcoScent Compass™ will contain extended ingredient sustainability and sourcing information for selected signature ingredients of our fragrances.

With this in mind, we are also building ways to offer transparency to our customers while protecting our creations. That's why we provide transparency, 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) numbers and names by alphabetical order. More than 2,250 formulae have been shared with our customers from 2014 to June 2022, demonstrating that transparency is a cornerstone of our dialogue with customers.

### FOSTERING CONSCIOUS PERFUMERY

Conscious Perfumery brings together the best of nature and science through a responsible and sustainable approach based on innovation and principles of Green Chemistry. At Firmenich our collection of conscious fragrances numbers more than 250 across perfumery. This collection brings Conscious Perfumery to life and allows us to share concrete sustainable creation possibilities with our customers, across different creative frameworks, such as Natural Origin, 100% Natural Origin, Biodegradability, EcoScent™ Compass AAA score, Low Carbon Impact, suitability with certifications and retailer labels, among many others. Within this assortment of conscious fragrances, our recently launched Circular Collection is based on 100% upcycled ingredients. All relevant claims

**2025 TARGETS**  
**Maintain 100%**  
COMPLIANCE WITH IFRA STANDARDS

**2025 TARGETS**  
**Embrace**  
**transparency**  
WITH DISCLOSURE OF INGREDIENTS  
DOWN TO 900/100PPM

for our fragrances are powered and backed by science-based, objective facts from EcoScent Compass™, and then translated into consumer-friendly language.

Learn more about Firmenich Perfumery on our website: [www.Firmenich.com/Fragrance](http://www.Firmenich.com/Fragrance)



# Taste & Beyond

The ongoing pandemic has had a lasting impact on consumer attitudes towards maintaining their health. Consumers have become more proactively engaged in managing their diets, and seek food and beverage that offer better nutrition and fewer calories. Our Change Lenz consumer insights study indicates that their number one health strategy is to reduce added sugars but also indicate that they are not prepared to sacrifice taste.

Our insights into the evolution of consumer attitudes suggest we are witnessing the evolution of a durable megatrend, where consumers favor brands that are healthy for people and the planet. In addition, they seek more transparency on ingredients and are looking to align their choices with brands that mirror their political, social and ethical values.

As the importance of a responsible and transparent supply chain grows, we are supporting our B2B customers with the expansion of our Path2Farm™ traceability program for our non-sugar, plant-based sweetening ingredients.

Food and beverage companies continue to experience increased public and government pressure to improve formulations to curb unhealthy consumption. The range of disincentives continues to evolve, including expanding taxation, advertising bans, and restrictive retail practices on high added sugar products.

## AIDING DIET TRANSFORMATION

Sugar reduction remains an essential innovation program at Firmenich. We continue to lead the industry, experiencing record growth thanks to continued focus and investment in a science-based portfolio. In addition, our consumer-centric approach enables us to work closely with customers to co-develop solutions that balance taste, functionality, cost, label preference and regulatory factors.

We remain focused on achieving our ambition as #1 in Diet Transformation and leading the science of sugar reduction. Our current technologies, TasteGEM®, ModulaSENSE® and TastePRINT®, removed the equivalent of an estimated 2.0 trillion calories in sugar from consumer's diets during the financial year.

Furthermore, we are continuing to develop our clean label delivery systems for foods and beverages. Our researchers have developed a portfolio of taste delivery carriers using ingredients based on sustainable wholefood materials. These are less processed than the norm, have less environmental impact and consumers regard them as cleaner label. Several patent applications have been published, including in FY22.

Learn more about Firmenich Taste & Beyond on our website:  
[www.Firmenich.com/TasteAndBeyond](http://www.Firmenich.com/TasteAndBeyond)

## 2025 TARGETS

# 2.0 trillion calories

REDUCE CALORIES FROM SUGAR IN PEOPLE'S DIET BY UP TO 2.0 TRILLION CALORIES (170% REDUCTION VS 2020)

Mahaut, by Maellie POYNARD



# Supporting communities

GRI 413-1

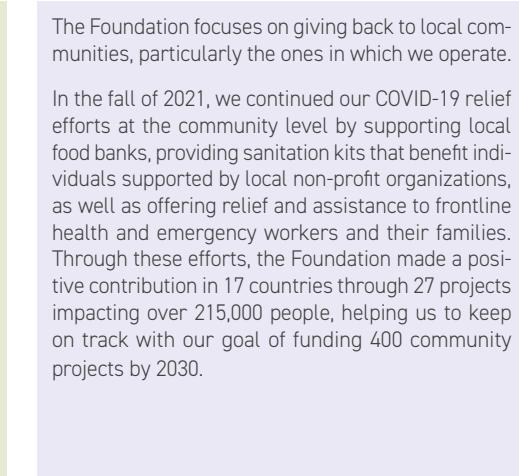
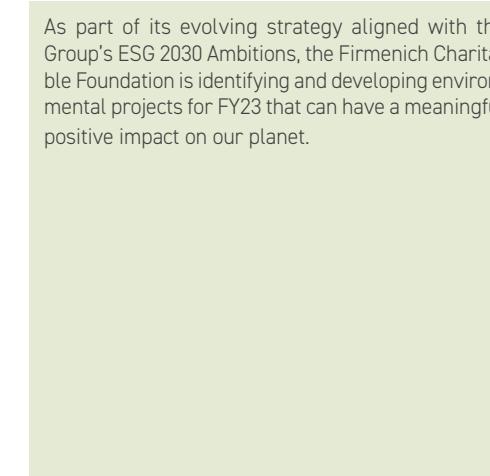
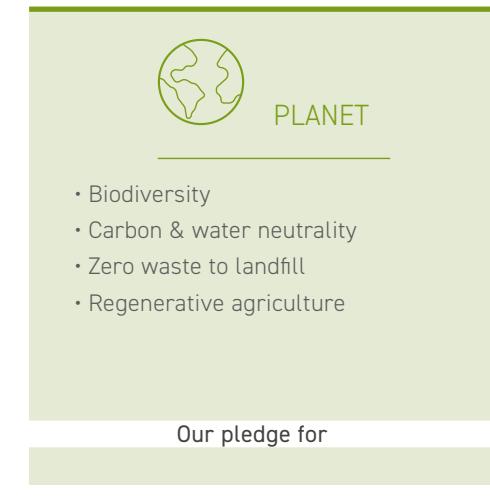
## Philanthropy

Established in 2010, the Firmenich Charitable Foundation was created to support our philanthropic work. The Foundation is a separate legal entity from the business group.

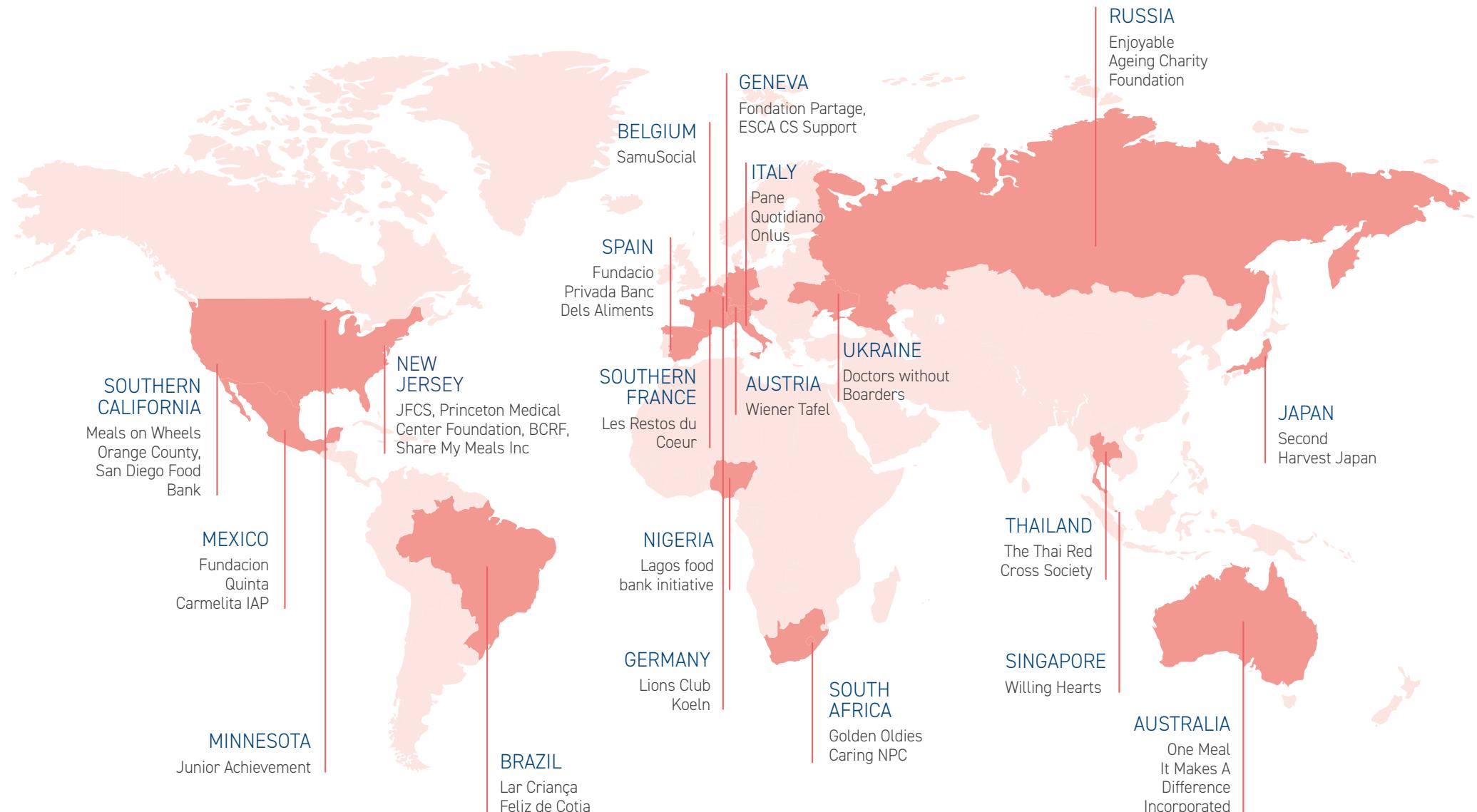
Grounded in our responsible business culture and driven by a long Firmenich family tradition of giving, philanthropy is at the heart of our company's culture. We are inspired to care and contribute within the communities we operate in through our community engagement and the Firmenich Charitable Foundation.

When it was founded, a key focus of the Foundation was to provide educational support to children in Haiti following the devastating earthquake in 2010. Haiti is a foremost producer of vetiver, a natural ingredient widely used in the fragrance industry. Since then, the Foundation's scope has expanded to include support for people with cancer, for hunger relief, to improve nutrition, enable sustainable agriculture and environmental projects, as well as support local communities worldwide. In 2021, the Foundation's strategy evolved in alignment with the Group's ESG ambitions, placing a clear focus on supporting people, planet, and our local communities.

Learn more about The Firmenich Foundation on our website: [www.Firmenich.com/FirmenichFoundation](http://www.Firmenich.com/FirmenichFoundation)



## PROJECTS SUPPORTED BY FIRMENICH CHARITABLE FOUNDATION



We maintain a long-standing relationship with Penn Medicine Princeton Medical Center, which is located within walking distance of our manufacturing site in Plainsboro, New Jersey (USA). As part of a local initiative, Firmenich colleagues collected clothing and personal care items to support the hospital's "Wellness Wardrobe program" for needy local residents who enter its inpatient programs.

Additionally, the Firmenich Charitable Foundation partnered with the hospital's charity, Princeton Medical Center Foundation on these key initiatives:

- Social Determinants of Health Initiative – Our donation provided funding for perishable and non-perishable items to be shared with hospital employees facing food insecurity issues.
- COVID-19 Relief Efforts – Our donation was used to purchase meals from local restaurants for approximately 3,200 front-line healthcare staff at the hospital who worked countless hours caring for COVID-19 patients. These meals were provided after shifts so they did not have to worry about their next meal, groceries or cooking at home. This donation also benefited local family-owned restaurants that participated in the event.

At Firmenich, we stand for peace and for human rights, and we join all those who are calling for an end to the violence. Since the start of the war in Ukraine, our strong values have guided us and our first priority has been the safety and well-being of our people, regard-

less of their origin, ensuring that they have the essential support they need. In these uncertain times, we decided to make an immediate contribution to Doctors Without Borders (Médecins Sans Frontières - MSF) to support the urgent humanitarian needs of people affected by the war and provide emergency support inside and outside Ukraine. We have seen an outpouring of solidarity from our colleagues across the globe, and many are actively donating to both Doctors Without Borders and the UN Children's Fund, UNICEF.



## Case study

# Employee action on Community Day

In 2021, Firmenich celebrated its 20th annual Community Day, which empowers our colleagues to create a positive impact in their local communities. A long-standing tradition at Firmenich, Community Day enables each employee to take a full workday to engage and support local organizations through social and environmental projects. In many parts of the world, due to the public health precautions for COVID-19, both the organizations we partner and the company placed limitations on in-person volunteering events. In order to maintain this annual contribution at a moment of great need, we found creative ways to transform Community Day into a month-long

event, ensuring our employees could support their causes safely. During October 2021, each of our affiliates identified initiatives that best serve their local communities. Many chose to partner and support food banks while others supported different local partners depending on the needs around them.



## EXAMPLES OF PROJECTS CARRIED OUT AROUND THE WORLD IN FY22

REGION	PROJECT
North America	Battling food scarcity virtually, the North American team partnered with three local organizations (Plainsboro Food Pantry, JFCS, & Princeton Medical Center Foundation) to collect critical food and personal care products
Switzerland	Raising funds for Partage, the Geneva food bank that collects food and hygiene products for 53 charities within the Swiss canton of Geneva
Brazil	In Brazil, Firmenich employees donated baskets of goods to the child and youth support institutions Lar Semente, Lar Emmanuel and Lar Criança Feliz
Spain	Colleagues in Barcelona collected more than 2,500 kg of food for Banc Dels Aliments to fight against hunger through digital and physical campaigns

# Business for good

ESG drivers performance overview	110
Corporate governance	111
Risk Management	115
Business ethics and integrity	118
Product safety, quality, and transparency	119
ESG policies	124



# ESG drivers performance overview

GRI 103-3

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 and Enterprise Risk Management as well as some of our key drivers to reach our ESG 2030 Ambitions: digital acceleration, business ethics and integrity, product quality and safety.

Aligned with our ESG 2025 Targets and inspired by our 2030 ambitions, this chapter covers all levels of our global value chain and illustrates our action to generate positive impacts for our colleagues, customers and consumers, investors, shareholders as well as our collaboration with international and local authorities. Through FY22, we acted to raise the bar on our performance and improve our alignment with GRI and Sustainalytics impact requirements.

Learn more about our ESG Drivers: [www.Firmenich.com/ESGDrivers](http://www.Firmenich.com/ESGDrivers)

AMBITIONS DRIVERS 2030	FY22 PROGRESS	STATUS
Digital acceleration Tech for good	Certified ISO 27001	ABOVE
Business Ethics – Food protection culture Zero customer food protection non-conformance	Food protection strategy 2020-2025	ABOVE
Business Ethics – Food protection culture Zero end product recall due to Firmenich products	Zero end product recall due to Firmenich products	ABOVE



# Corporate governance

GRI 102-18 • 102-19 • 102-20 • 102-22 • 102-23 • 102-24 •  
102-25 • 102-26 • 102-28 • 102-31 • 102-32 • 102-33

In all it does, Firmenich strives to reach the highest governance and operating standards, and live by its Fundamentals – the values determined by our family shareholders many years ago.

Our governance framework supports sustainable financial performance as well as long-term value creation for all our stakeholders: our share and bond holders, our employees, our customers, and the communities in which we operate. Firmenich

corporate governance principles are embedded in our key governance documents, in particular in the Articles of Association and the Regulations of the Board of Directors (the "Board Regulations"). To support our commitment to maintaining the highest standards, the Governance and Sustainability Committee regularly reviews the company's corporate governance principles and the key governance documents against evolving best practice standards and new developments.

## Shareholders

### GENERAL MEETINGS

The Shareholders' Annual General Meeting ("AGM" or "General Meeting") must be held within six months after the end of the financial year (June 30) and generally takes place in early October. Shareholder meetings may be requested by the Board, the external auditor or shareholders representing at least 10% of the share capital or representing shares with an aggregate nominal value of CHF 1 million.

### POWERS

The following powers are vested exclusively in the General Meeting:

- Adoption and modification of the Articles of Association
- Appointment of the members of the Board of Directors, the Chairman of the Board, the members of the Human Capital Committee and the external auditors
- Approval of the maximum aggregate annual compensation of the Board and DG members
- Approval of the management report and the consolidated financial statements
- Approval of the financial statement of Firmenich International SA, and of the appropriation of available earnings, including dividends
- Discharge of Board members
- Approval of increases/reductions of share capital
- Decisions on other matters that are reserved by law or by the Articles of Association.

Learn more on our Corporate Governance:  
[www.Firmenich.com/Governance](http://www.Firmenich.com/Governance)



# Board of Directors

## PRINCIPAL MISSION

In accordance with Swiss law, the Articles of Association 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, notifying the court in case of insolvency, verifying the qualifications of the auditors and overseeing the management and maintenance of the Fundamentals. The Board sets the strategic direction for Firmenich, appoints and oversees the CEO and Executive Committee ("DG"), convenes the AGM, approves the Company's ESG strategy and ESG report, as well as the Company's compensation policies and major transactions and investments.

## COMPOSITION

Save for extraordinary circumstances, the Board is composed of seven to nine members in accordance with Article 21 of the Articles of Association. A majority of the members must be directors independent from the shareholders ("Non-Family Board Members"). The Board is currently composed of nine members, of which five are Non-Family Board Members, and four are members of the Firmenich family.

## ELECTION AND TERM OF OFFICE

Board members, including the Chairman, are elected individually by the shareholders at the General Meeting, for a three-year term of office (unless otherwise decided by the General Meeting). The members of the Human Capital Committee, which is the Committee responsible for Compensation, are elected individually by the shareholders at the General Meeting for a one-year term of office, which expires at the next AGM. The Board must ensure that the mandates of at least two Board Members expire at each AGM.

According to our Articles of Association, the mandate of any Board member automatically terminates on the date of the AGM called to approve the accounts for the financial year in which any such Board member has attained the age of 70. In addition to the age limit, the Articles of Association foresee that "Board mandates may be renewed for up to five consecutive mandates".

## SUCCESSION PLANNING

The Human Capital Committee ensures effective succession plans for the Board, the CEO, and the DG; interviewed candidates and makes a recommendation to the full Board, which ultimately decides on the appointments, subject to the powers of the AGM to elect Board members.

## INDEPENDENCE

We assess the independence of the Non-Family Board Members coming up for election/ re-election. The Firmenich independence criteria provide, in particular, that no Board member may have a contractual relationship with Firmenich, have been an employee or DG member of Firmenich in the last 3 years, nor hold shares in Firmenich (whether directly or indirectly).

## DIVERSITY

Firmenich has long been convinced of the benefits of Board diversity, fostering a greater variety of problem-solving approaches, perspectives, and ideas. Firmenich's five independent Board members represent five nationalities. Of the Firmenich Board members, 33% are female and 67% male. 55% are above the age of 60, and 45% aged between 40 and 60.

## SELF-ASSESSMENT

The Board performs a complete review of its performance every 3 years, covering topics including roles & responsibilities, Board governance, impact, composition, and skills. The process is supported by an external consultancy firm. The last assessment was done in 2021.

## BOARD SKILLS

The Human Capital Committee periodically reviews the composition and size of the Board to ensure that the Board has the proper expertise, and consists of sufficient diversity including diversity of gender, backgrounds, knowledge, and experience to meet the needs of the Company.

Meet our Board of Directors:  
[www.Firmenich.com/BoardOfDirectors](http://www.Firmenich.com/BoardOfDirectors)

From left to right: Mr. Richard Ridinger, Ms. Karen Jones Easton, Dr. Antoine Firmenich, Mr. Patrick Firmenich, Mr. Pierre Bouchut, Ms. Barbara Kux, Mr. André Pometta, Dr. Ajai Puri, and Ms. Diana Oltramare.



## ROLE OF THE BOARD COMMITTEES

In accordance with the Articles of Association, the Board may establish Committees to assist it in preparing decisions in the areas of its competence. The Board sets out the composition and the responsibilities of the Committees in a Charter. The Committees review the files submitted to them, conduct research and analysis when deemed necessary, and submit their recommendations to the Board, which has sole authority to decide. The Board appoints the Committee members and the Chair of each Committee, subject to the powers of the AGM to elect the members of the Human Capital Committee.

## EMBEDDING ESG IN ITS GOVERNANCE

In 2022, the Board reinforced its governance in ESG matters through the creation of a Governance and Sustainability Committee and a Human Capital Committee. With these changes, the Board reviewed the composition of its Committees, and the shareholders unanimously approved the members of the new Human Capital Committee at an Extraordinary General Meeting held on March, 3 2022. The Governance and Sustainability Committee conducts oversight of Firmenich's ESG strategy, and the Human Capital Committee reviews the company's performance against its Human Capital goals, including Diversity & Belonging. The existing Finance, Audit and Risk Committee reviews the reported ESG results. Oversight of Firmenich's ESG ambitions and strategy remain the responsibility of the Board. At the 2021 AGM, in anticipation of new Swiss legislation on non-financial reporting requirements, the shareholders approved the Company's ESG report in a non-binding vote. Additional information on the primary responsibilities of the Board Committees can be found to the right.

### GOVERNANCE AND SUSTAINABILITY COMMITTEE

#### Members

Barbara Kux (Chair), Diana Oltramare, Antoine Firmenich, Ajai Puri.

#### Primary responsibilities:

- Periodically review the Articles of Association and the Board Regulations/Committee Charters and recommend changes to the Board for the purpose of fostering good corporate governance and shareholder's rights
- Periodically review the Board Committee structures
- Annually review the Board and DG members' external mandates
- Supports the Board in undertaking evaluations of the Board's performance
- Review the Company's ESG strategy and goals, and recommend it to the Board for approval
- Define and periodically review the Company's ESG metrics
- Periodically review the Company's ESG performance against peer groups
- Review the Company's ESG report and recommend it to the Board for approval

The Governance and Sustainability Committee held its first meeting in June 2022, with all members in attendance.

### HUMAN CAPITAL COMMITTEE

#### Members

Patrick Firmenich (Chair), Karen Jones Easton, André Pometta, Ajai Puri.

#### Primary responsibilities:

- Periodically review the composition of the Board and its Committees and propose qualified individuals to become members of the Board of Directors
- Prepare and maintain succession plans for the CEO and DG
- Review annually the performance of family associates employed within the Company
- Review annually the performance of the Company's People strategy, including the Diversity and Belonging strategy
- Prepare the compensation report and submit it to the Board for approval
- Review the executive rewards strategy and performance on short and long term incentive plans
- Propose to the Board the aggregate compensation for the Board and the DG, for approval by the AGM

The Human Capital Committee held its first meeting in June 2022, with all members in attendance.

### FINANCE, AUDIT & RISK COMMITTEE

#### Members

Pierre Bouchut (Chair), Antoine Firmenich, André Pometta, Richard Ridinger.

#### Primary responsibilities:

- Oversee the external auditors that audit the Company's financial statements and ESG report and review their performance
- View the structure, funding, and accruals of the Company employee pension funds
- Oversight of the company's system of internal controls and compliance with laws and regulations
- Review periodic reports of the Internal Audit function
- Approve Enterprise Risk Management governance and methodology
- Review the process for monitoring compliance within the Company of the Code of Ethics
- Ensure the Company's ESG reporting is in compliance with the standards set by the Governance and Sustainability Committee, and review and evaluate the internal controls in place to ensure integrity and accuracy of the Company's ESG results

The Finance, Audit & Risk Committee held six meetings throughout the financial year, with all its members in attendance at each meeting.

## MANDATES OUTSIDE THE FIRMENICH GROUP

According to the Articles of Association, mandates are limited to five, in addition to the Company Board mandate. "Mandates" means holding the position of a director in a for-profit commercial

enterprise. Pro-Bono mandates in family-owned entities of the Board member, Advisory Boards, and mandates in not-for-profit entities are not taken into account, provided the level of commit-

ment in these is not incompatible with the work required for the Firmenich Board. Mandates in entities of the same group of companies count as one mandate.

## The Chairman

In addition to the powers laid down in the Articles of Association, the Chairman's responsibilities include organizing the affairs of the Board to ensure the Company moves forward with its strategies, reviewing with the CEO the major strategic projects before submissions to the Board, communicating to the Board any information that may have a significant impact on the Company's strategy, reviewing actual and potential conflicts of interest of a Board member, and maintaining regular and frequent contact with the CEO outside Board meetings, as well as with the DG members. Patrick Firmenich, Chairman of the Board, is a Firmenich family member and non-executive Board member.

### DELEGATION OF MANAGEMENT

The Board delegates day-to-day business management of the Group to the CEO subject to the powers of the Board reserved by law, the Articles of Association, and the Board Regulations.

## Chief Executive Officer

The CEO, assisted by the Executive Committee ("DG"), is primarily responsible for the business management of the organization, including embedding the Firmenich Fundamentals throughout the Group, presenting the Group's strategy and general policies to the Board for approval, and driving business development. The CEO leads the DG in order to achieve the strategic plans and annual budgets of the Group, communicates relevant updates to the Board, ensures the implementation of the ESG strategy and crisis management framework, proposes to the Board the appropriate organizational model to achieve the Group's objectives, as set by the Board, ensures compliance with the law and the Code of Ethics, and pursues leadership in ESG matters.

## Executive Committee

### RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE (DG)

The DG supports the CEO in each of the CEO's areas of responsibility, including ensuring compliance with the Fundamentals, Code of Ethics, and law throughout the organization, preparing strategies and strategic plans, ensuring efficient operations and optimizing results, promoting internal and external communications, ensuring resources are used efficiently, and promulgating general policies, including people, safety and environmental protection.

### DIVERSITY

The DG's nine members (which include the CEO) are drawn from each of the Company's key business divisions and functions. Illustrating our inclusive and diverse corporate culture, 4 of our DG members are female, and seven nationalities are represented.



Meet our Executive Committee:  
[www.Firmenich.com/Executive-Committee](http://www.Firmenich.com/Executive-Committee)

From left to right: Dr. Sarah Reisinger, Mr. Eric Nicolas, Ms. Ilaria Resta, Mr. Benoit Foulland, Mr. Gilbert Ghostine, Ms. Mieke Van de Capelle, Ms. Jane Sinclair, Mr. Boet Brinkgreve and Mr. Emmanuel Butstraen.

# Risk Management

GRI 102-15 • 102-30 • 201-2

## 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, and revise the Corporate Risk list as necessary.

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 Board Regulations.

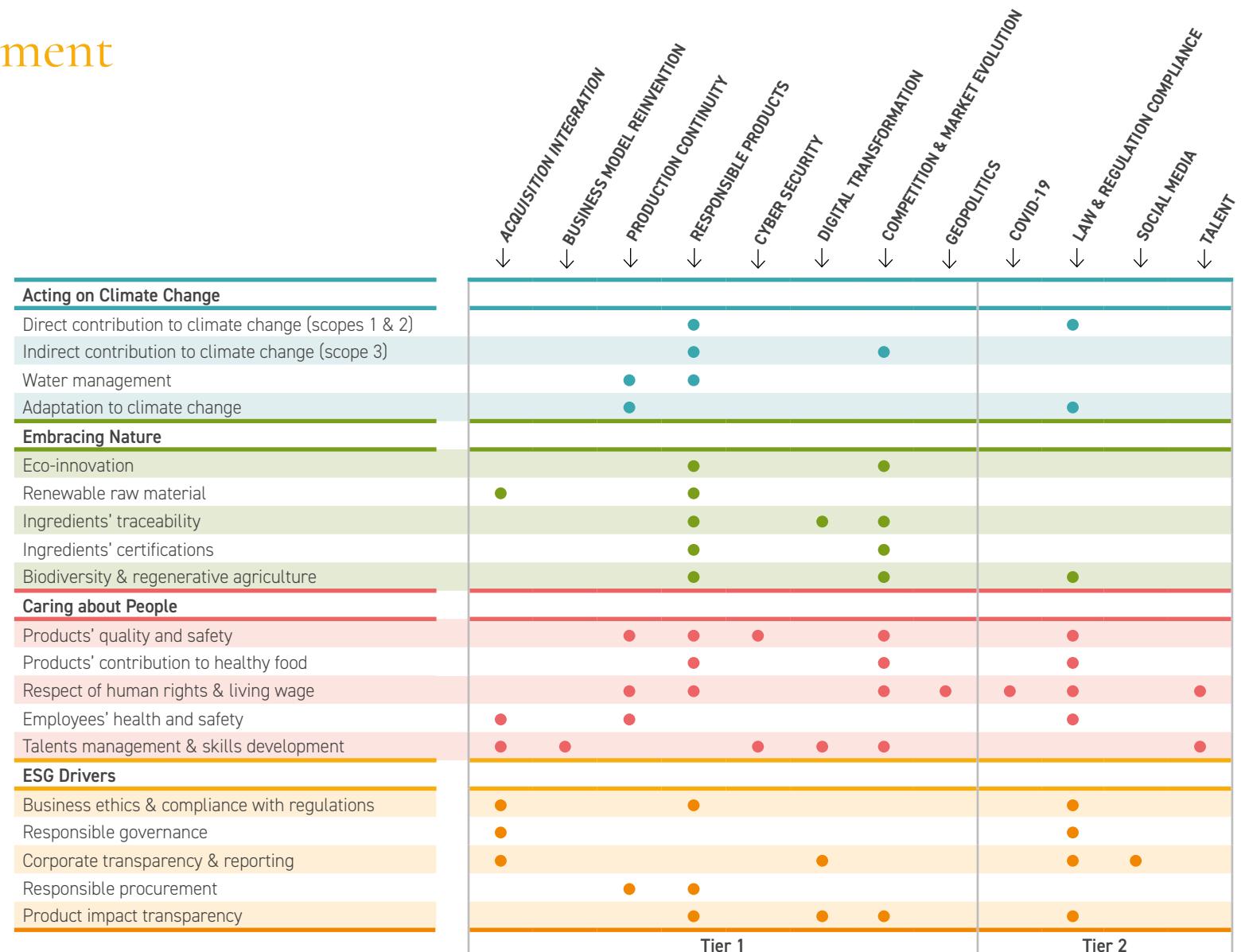
The FARC approves ERM governance and methodology, reviews and assesses the effectiveness of the Company's enterprise-wide risk assessment processes, and recommends improvements where appropriate.

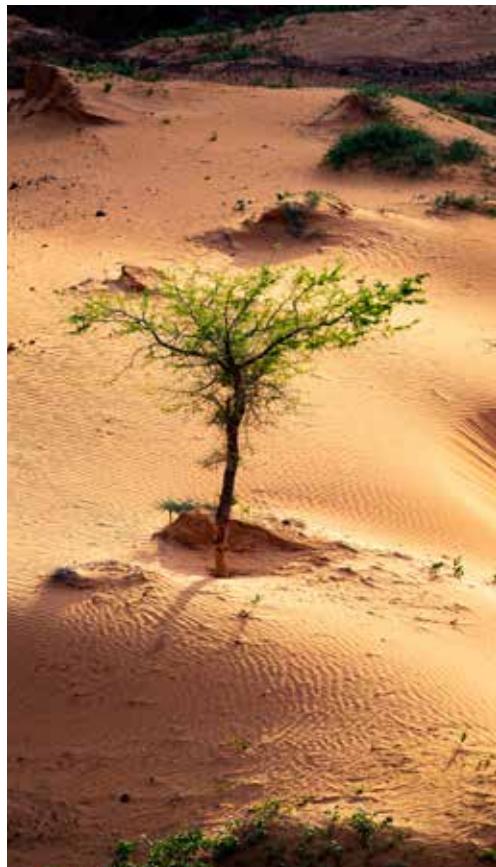


# Materiality analysis and Enterprise Risk Management alignment

To ensure we integrate ESG risks into our ERM analysis and align our risk management approach and ESG management, we conduct a consistency analysis of our ERM and materiality analysis every year.

The following chart presents our corporate risks identified in FY21 and how they align with the materiality topics that Firmenich has a high ability to influence.





## RISK MANAGEMENT & RESPONSIBLE SOURCING

At Firmenich, we are committed to ensuring the most traceable, ethical and responsible supply chain in our industry. Sourcing responsibly has always been a critical element in the work of all Firmenich sourcing managers. How we source ingredients is key to our sustainability efforts. We aim to source materials and services from reputable suppliers who are aligned with our values and key policies. Our supply chains are very diverse. They include organizations of different sizes, located in different regions around the world and provide a wide range of products. Our sourcing portfolio is made up of more than 4,000 suppliers and 5,000 raw materials, that are used in more than 10,000 different compositions.

Firmenich implements a proprietary Sourcing Risk Cycle Process and a Risk Management Tool (RMT) to respond to the tremendous complexity of the supply chain in our industry. Our business case "Achieving end-to-end risk visibility on raw materials for the most responsible & resilient supply chain", was distinguished as a Finalist in the prestigious Gartner Power of the Profession 2022 Supply Chain Awards in the "Process or Technology Innovation of the Year" category.

The governance model is composed of Business Continuity (BCM), Procurement, Planning and Logistics teams, supported by other stakeholders, such as Enterprise Risks Management (ERM), Business, Sustainability and Legal & Compliance, according to the identified risk scope. Each risk owner provides an update on risk evolution and trends, reporting the execution of defined risk mitigation strategies. Regular operational meetings are set between all supply chain and leading teams to ensure improvements are sustainable and lasting. This ensures the proper process and system to monitor new suppliers and raw material introductions.

Having this solution and governance in place enhances the effectiveness of our supply chain profession, obtaining robust and aggregated information on risks, which enables our cross-divisional teams to assess overall resource needs and helps to optimize resource allocation. The RMT tool assists in determining risks associated with each tier of the supply chain and in assessing the potential value impact due to disruption in terms of compositions or customer sales.

In FY22 we have also reinforced our proprietary process and tools by partnering with Riskmethods™, a Live Alerting system that supports our Supply Chain risk monitoring. This global visibility

provides timely assessment of new and emerging risks. Examples in FY22 include the war in Ukraine, a renewed wave of COVID-19 in China or the political situation in Sri Lanka, to mention a few.

Our Supply Chain Risk management process, which was reinforced in FY22, ensures that the Group is best prepared to anticipate risks and related opportunities to de-risk them in a proactive manner. The measures available include maximizing our supply security by rightsizing the safety stock, driving greater contract coverage, working on single source reduction, diversifying our supplier base geographically, reformulating our products, assessing supplier business continuity plans, reinforcing supplier audits and monitoring the deployment of our Responsible Sourcing policy.

# Business ethics and integrity

GRI 102-16 • 102-17 • 103-1 • 103-2 • 103-3 • 205-2 • 205-3

We aim to go beyond compliance to offer a robust global Business Ethics program that goes one step further. Ethics is a mindset; it determines how we do business and how we interact with each other. Ethics is part of our values and key to our leading ESG performance. Our achievements in the field this year include:

- We were recognized as one of the 2022 World's Most Ethical Companies by Ethisphere®, a global leader in defining and advancing the standards of ethical business practices. In this first year that Firmenich applied for this recognition we entered the listing.

Ethisphere honored only 136 companies in the world with this distinction in 2022. Grounded in Ethisphere's proprietary Ethics Quotient®, the World's Most Ethical Companies assessment process includes more than 200 questions on culture, environmental and social practices, ethics and compliance activities, governance, diversity, and initiatives to support a strong value chain.

- Benchmark data suggests that the primary reason that employees do not raise their hand when they witness misconduct is a fear of retaliation. In response, we have updated our Speak Up policy to provide more transparency about how our investigation process works. The updated policy is available for external users on our web page and available in English, French, Spanish, Chinese, Portuguese, Bahasa Indonesia, Italian and Turkish to increase the under-

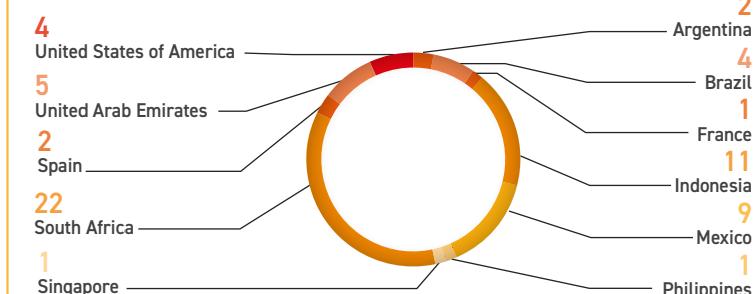
standing from employees around the world. We also launched a Reporting Misconduct training in June 2021 for all employees, followed by a communication campaign targeting all General Managers to make sure we reach all affiliates around the world. Moreover, we adapted our Speak Up portal to ensure compliance with the EU Whistleblower Directive.

This year, we also updated our Code of Ethics and Antibribery online trainings to ensure the content is fresh and relevant. Both training courses will be rolled out to all employees. We also started a Global Anti-Corruption Risk Assessment.

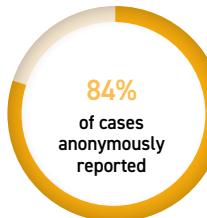
- In FY22 we received 62 cases through the Speak Up platform (hotline) which were reviewed and assigned to the relevant people (HR, management etc). All have been reviewed, followed-up and investigated as needed. Of these, 40 cases have been closed, and 19 substantiated. Reported allegations were primarily related to misconduct and respect of people. The total number of anonymously reported cases during FY22 is 52, representing 84% of the total. Actions taken include providing training or disciplinary actions in response to verified critical violations. There were no confirmed incidents of corruption in the period.

## FY22 PERFORMANCE

**62 cases** of non-compliance detected in **11 countries**



All reports are thoroughly investigated and help strengthen our detection



Reported allegations were primarily related to



Misconduct



Respect of people

# Product safety, quality, and transparency

GRI 103-1 • 103-2 • 103-3 • 416-1

## Product safety

Firmenich product safety and regulatory experts lead, support, and champion projects that protect consumers and the environment in a responsible way. In close collaboration with R&D, we are proactive in investigating new approaches. We also publish and present our results to the scientific community, including in peer-reviewed journals, to promote the acceptance of more advanced safety tests.

This proactive approach includes transparent engagement to share expertise and build collective understanding about product quality and safety regulations around the world. Our experts collaborate with peers from other companies to continuously improve product safety data and with the aim of ensuring that our products are in compliance with all regulatory requirements (e.g. global chemical and flavor/food regulations). This collaboration takes 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).

Along with other divisions, Research & Development plays a key role in the International Fragrance Association (IFRA) and the International Organization of the Flavor Industry (IOFI). We bring strong and recognized expertise in the field and lead critical groups, acting in various capacities: a Firmenich R&D representative as Chairman of the IOFI Working group on methods of analysis; Vice-Chairman of the IFRA Analytical Working Group; Vice-Chairman of the IFRA Natural Complex Substances Task Force and member of the equivalent at IOFI; and member of the IFRA Risk Management Task Force.



## PROTECTING CONSUMERS, ANIMALS, AND THE ENVIRONMENT

We continuously invest in new approaches and in increasing the data available for the consumer's safety and the compliance of our products. For animal testing, our strategy has two focal points. Firstly, to replace the use of animals for regulatory testing purposes in research and, secondly, to champion and apply non-animal approaches in our submissions to authorities wherever possible.

We continue to make progress in developing alternative methods and approaches to ensure product safety without the need for animal testing. During FY22 we:

- Published our collaboration with Denmark's National Research Center for the Working Environment, which describes an approach to validate a cell-free lung surfactant bioassay, assessing the potential of chemicals to cause acute changes in respiration following exposure.
- Presented a case study for the risk assessment of systemic toxicity' at the 11th World Congress on Alternatives and Animal Use in the Life Sciences, which showcased a stepwise process to build confidence in safety assessment and decision making without animal data.
- Continued our collaboration with Humane Society International's Animal-Free Safety Assessment Collaboration (AFSA), including the start of training sessions on how to conduct Next Generation Risk Assessments. We have participated in several of these training events with other AFSA members, including a presentation at the 11th World Congress on Alternatives and Animal Use in the Life Sciences, developing and giving a continuing education course at the annual Society of Toxicology meeting, and presenting at an AFSA-sponsored workshop.

- Co-authored two papers with the Research Institute for Fragrance Materials in line with our efforts to support the development of non-animal testing approaches.
- Published, in collaboration with the University of Jinan (China), a data analysis that provides evidence to avoid the current need for duplication of testing on different fish species across different legislative bodies.
- Co-authored a paper on reducing animal suffering through better choice of dosing in repeat-dose toxicity studies, as part of a task force of ECETOC, a collaborative space for top scientists from industry, academia and governments that helps to develop and promote practical, trusted and sustainable solutions to scientific challenges.
- Reduced animal tests in safety assessments: Metabolism studies on calone to support read-across strategy and avoid repeating animal testing for metabolites.

Thanks to our expertise, we successfully gained acceptance of non-animal approaches for both human and environmental assessments in our ingredient registration dossiers across flavors and perfumery in Japan, Europe, Australia and for FEMA, where previously animal testing would have been required.

## FEMA EMERGING LEADER AWARD

In May 2022, Tanya Ditschun, a Firmenich food scientist specializing in taste perception and sensory evaluation, received the Flavor and Extract Manufacturers Association (FEMA) Emerging Leader Award. This Award recognizes new leaders that have demonstrated exemplary volunteerism in FEMA. Tanya's track record of active support for FEMA's objectives, including its commitment to assuring a substantial supply of safe flavoring substances, made her the obvious choice for the award.



## MOSQUITO REPELLENT SOLUTIONS

Harnessing its expertise in renewable and natural ingredients, our R&D team is exploring new, sustainable and naturally derived anti-mosquito solutions as efficient alternatives to the current synthetic ingredients widely used as mosquito repellents. Development of insect control is aligned with UN Sustainable Development Goal 3 on "Good health and well-being", both in terms of controlling insects that are vectors of diseases and increasing the scope for effective and sustainable methods. Furthermore, in collaboration with an academic research partner, we have developed in-vitro systems to assess the anti-mosquito and anti-tick properties of our compounds, avoiding the use of animals or human volunteers for the screening phase.



# Quality and product safety

## GOVERNANCE

We continue to grow our Global Quality Excellence Team, supporting business objectives and supplying our customers with superior products. We have created two new roles for our Taste & Beyond business, each adding knowledge and skills to expand global governance in Quality Service Excellence (Supplier and Customer) and Technical Quality Assurance.

## QUALITY PARTNERSHIPS

To maintain our focus throughout the Group, the Quality team continues to partner with Centers of Excellence across many functions, enabling quality-focused and co-owned decisions to be made in all areas of our business.

Our sites across the globe celebrated the annual World Health Organization Global Food Safety Day in June 2022 to inspire action to help prevent, detect and manage foodborne risks. We achieved Food Safety System Certifications (FSSC) certifications at all flavor sites without any major issues.

The Quality team continues to participate in the innovation phases of product development, contributing to the Taste and Beyond business in 10 projects this year. A New Product Introduction (NPI) Quality Checklist tool was developed and deployed to assist product development. Global governance for Quality Control is harmonizing the process to measure compliance with new product specifications across our sites.

With every Firmenich acquisition, our Quality Management System is incorporated into the integration process. We provided training, knowledge transfer and post-integration support for all our acquisitions.

A new PMI (Packaging Material Introduction) process, bringing together QHSE, Procurement, and Operations, was designed to improve the approval workflow when a packaging material introduction or change is requested internally or by our customers. Its risk-based approach, combined with the multidisciplinary involvement, allows us to complete the requests quickly and pragmatically.

## QUALITY TOOLS FOR SUCCESS

Automated tools help us to generate data faster and to use the information to find opportunities and to eliminate risk. A global Quality dashboard has been created to automate our performance metrics and provide quick and easy access to our most important indicators. Regional and local teams have been trained to use the new dashboard to gauge the need for action. Structured reporting also allows us to make decisions globally on increasing trends, while strengthened document repository management is making important documents available globally.

Following the release of the new version of our Quality, Health, Safety, and Environment (QHS&E) Principles and Codes, we developed and launched a self-assessment tool to perform local risk assessments. Self-assessment allows each site to identify and address areas of concern and implement improvements based on this common set of principles and codes. By doing this, we continuously strengthen our capabilities and standardization of activities and operations for Quality across the organization.



Quality control extends to ensuring we are up to date with the latest technology to build superior capabilities for accuracy, speed of release and efficiency. A web-based 2.0 version of our proprietary QC SmartMaint software has incorporated a global dashboard to monitor instrument maintenance and calibration tasks, and fresh reporting capabilities enable simple, data driven global level Capex planning. The QC 4.0 Tablet User Experience project improved worker connectivity and mobility within the Quality Control labs and concluded with a global deployment strategy for regional execution.

## CUSTOMER QUALITY

Our commitment to quality and product protection is fundamental, and we continue to exceed customer expectations. A recent customer survey indicated that our customers have a high degree of satisfaction with Firmenich product quality. In addition, FY22 marks our 8<sup>th</sup> year with zero end-product recalls, zero consumer impact and zero customer food safety issues related to Firmenich products. We successfully delivered over 99.94% of our products defect free.

### FOOD SAFETY CERTIFICATION FOR PINE-BASED RESINS

Our Vielle-St-Girons and Lesperon sites, France, obtained FSSC 22000 Certification for their resin production and packaging lines for chewing gum.

We became the leading supplier of resins for chewing-gum base, made from pine-derived renewable raw materials. This certification, which is also recognized by the Global Food Safety Initiative (GFSI), demonstrates the high performance of our food ingredient safety management system.

To reach this level of performance, we have:

- Upgraded our industrial facilities, and launched a new resin packaging line in Vielle-St-Girons.
- Implemented an ingredient safety management system.
- Rolled out specific training programs locally including on food safety.

This certification is recognized by our Customers, and promotes high standards of control and safety in the industry.



### PERFORMANCE

# 64%

PRODUCT QUALITY  
IMPROVEMENT SINCE 2014

# CHF 7.5 million

CAPITAL INVESTMENT IN PLANT QUALITY ASSURANCE,  
QUALITY CONTROL LABORATORY EQUIPMENT AND  
UPGRADES

# 5<sup>th</sup> consecutive year

OF >99.9% PRODUCT QUALITY TO OUR CUSTOMERS

## Case Study



# Digital acceleration and cybersecurity

In a connected, fast and constantly changing world, most industries face new risks. To evolve in this environment, Firmenich is harnessing its agility, creativity, and innovation as well as the latest technologies. We are committed to accelerating the development of digital capabilities from source to consumer with the highest cybersecurity standard.



“

This certification is a strong evidence of our commitment to be proactively accountable. We are committed to meeting the needs and expectations of our customers and business partners, protecting our customers' and partners' data, while being a resilient company.

**ERIC SARACCHI, CHIEF DIGITAL AND INFORMATION OFFICER**

Increased data transparency is critical for all our stakeholders to drive a fact- and science-based sustainability journey. From traceability in sourcing to augmented innovation and creation, we are leveraging our data to meet the requirements of the conscious consumer.

Cybersecurity is another strong focus for us. It is essential to ensure the security of our data and applications, which are integral to our ESG ambitions, at any point in our value chain. We have adapted our IT organization to guarantee the highest level of security in our daily activities. In FY22,

Firmenich has been certified ISO 27001, the leading international standard for information security. This achievement bears witness to the strength of our commitment to protect all types of information and data provided by our stakeholders. It also recognizes our performance in data protection, and the reliability and security of our systems and information. Education of our workforce is a key enabler of our performance on cybersecurity.

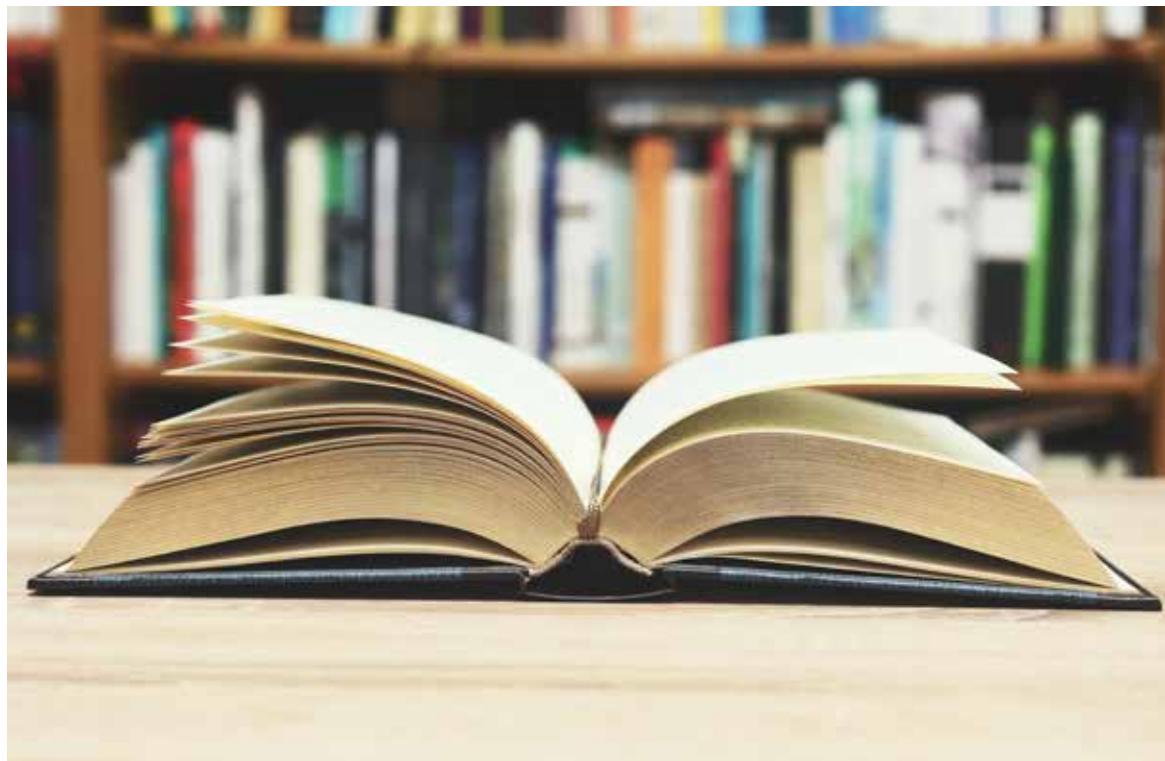


# ESG policies

Doing business the right way is essential for Firmenich. To back up this maxim we have 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.

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:

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



## OUR ESG-RELATED POLICIES

- Code of Ethics
- Cookies Management
- Corporate Anti-Corruption Policy
- Corporate Policy on Community Relations
- Corporate Diversity and Belonging Policy
- Corporate Occupational Health and Safety Policy
- Corporate Quality and Product Safety Policy
- Emerging Technologies
- Gifts and Entertainment Policy
- Global Environmental Policy
- Human Rights Policy
- Privacy Policy
- Responsible Sourcing Policy
- Supplier Expectations Manual

## OUR ESG-RELATED STATEMENTS

- Conflict Minerals Statement
- Modern Slavery Statement
- Position Statement on biodiversity
- Position Statement on palm oil

Find all our policies and statements at:  
[www.Firmenich.com/CompanyPolicies](https://www.Firmenich.com/CompanyPolicies)

# Performance

Our reporting standards	126
Performance tables FY22	127
2030 Ambitions	139
Pathway to Positive drivers	142
Site certifications FY22	143
GRI content index	145
Independent assurance statement	155
Glossary	156
Our Fundamentals	158



# Our reporting standards

GRI 102-11

## GLOBAL REPORTING INITIATIVE (GRI)

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

## ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

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

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

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

## UNITED NATIONS GLOBAL COMPACT

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

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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 SDGs in its ESG report

# Performance tables FY22

	FY20			FY21			FY22		
	Firmenich <sup>(7)</sup>	New Ingredients Sites <sup>(8)</sup>	Total	Firmenich	New Ingredients Sites	Total	Firmenich	New Ingredients Sites	Total
<strong>ENVIRONMENT</strong>									
<strong>Direct &amp; Indirect Emissions (tonnes CO<sub>2</sub>e) GRI 305-1; 305-2</strong>									
Scope 1: Direct Emissions	74,218.87	99,071.92	173,290.79	78,886.17	113,713.10	192,599.27	81,452.34	111,589.44	193,041.78
Scope 2: Indirect Emissions (Market-Based)	8,450.03	28,159.69	36,609.72	7,138.76	234.64	7,373.40	7,873.42	178.77	8,052.18
<strong>Total Scope 1 &amp; 2 Emissions (Market-Based)</strong>	<strong>82,668.90</strong>	<strong>127,231.61</strong>	<strong>209,900.51</strong>	<strong>86,024.93</strong>	<strong>113,947.74</strong>	<strong>199,972.67</strong>	<strong>89,325.76</strong>	<strong>111,768.20</strong>	<strong>201,093.96</strong>
<strong>CO<sub>2</sub> Emissions from Biogenic Sources<sup>(1)</sup></strong>	<strong>7,783.50</strong>	<strong>354,689.50</strong>	<strong>362,473.00</strong>	<strong>10,397.49</strong>	<strong>392,401.24</strong>	<strong>402,798.74</strong>	<strong>11,280.25</strong>	<strong>372,974.16</strong>	<strong>384,254.41</strong>
<strong>Other Indirect Emissions (tonnes CO<sub>2</sub>e) GRI 305-3</strong>									
Purchased Goods & Services <sup>(2)</sup>	Not Available	Not Available	Not Available	2,791,251	Under Development	2,791,251	Under Development	Under Development	Under Development
Other Fuel & Energy Related Emissions	Not Available	Not Available	Not Available	15,411	Under Development	15,411	Under Development	Under Development	Under Development
Outbound Transportation & Distribution <sup>(3)</sup>	Not Available	Not Available	Not Available	52,844	Under Development	52,844	Under Development	Under Development	Under Development
Waste Generated in Operations <sup>(4)</sup>	Not Available	Not Available	Not Available	19,008	Under Development	19,008	Under Development	Under Development	Under Development
Business Travel <sup>(5)</sup>	Not Available	Not Available	Not Available	817	Under Development	817	Under Development	Under Development	Under Development
Employee Commuting <sup>(6)</sup>	Not Available	Not Available	Not Available	4,160	Under Development	4,160	Under Development	Under Development	Under Development
Investments	Not Available	Not Available	Not Available	126,626	Under Development	126,626	Under Development	Under Development	Under Development
<strong>Total Scope 3 Emissions</strong>	<strong>Not Available</strong>	<strong>Not Available</strong>	<strong>Not Available</strong>	<strong>3,010,117</strong>	<strong>Under Development</strong>	<strong>3,010,117</strong>	<strong>Under Development</strong>	<strong>Under Development</strong>	<strong>Under Development</strong>

(1) There are CO<sub>2</sub> emissions from biogenic carbon (e.g., 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 and 2 in line with GHG Protocol accounting principles.

(2) Firmenich uses the ingredient-based approach which utilizes LCA data at the ingredient level from our EcoScent Compass™ and EcoFood Compass™ tools. This calculation methodology is based on 540 perfume and 200 flavor ingredients representing 44% of total supply volume. The total carbon footprint was calculated using emission factors per ingredient from the tools and the purchased volume per ingredient. We will perform an annual update based on the purchased volume per ingredient and supplier-specific GHG emissions reductions from our CDP platform.

(3) Outbound transportation is accounted for on a tank-to-wheel basis for all sites globally. A third party analyzes the specific GHG emissions per shipment based on our transportation data, vehicles used, and loading factors.

(4) Waste information is collected and divided into categories and subcategories according to disposal method. Each sub-category total is multiplied by an appropriate emission factor from Ecoinvent to generate the GHG impact.

(5) Business air travel information is gathered from travel agencies including distance. Based on the distances traveled, the agencies can establish a GHG impact for all sites globally with approximately 99% coverage.

(6) Employee commuting includes all employees globally and GHG impact is estimated using employee headcount by region, assumptions from a recent assessment by Quantis, and appropriate emission factors from DEFRA.

(7) Firmenich's FY20 environmental data does not include some smaller recent mergers and acquisitions. However, these mergers and acquisitions have been incorporated into the FY17 base year and emissions restatement for our science-based targets.

(8) Some of our new ingredients sites' FY20 environmental data is based on CY20 (January 1, 2020 – December 31, 2020) since VOC, production, water, and waste data prior to January 1, 2020 is not reliable and comparable. Emissions and energy data for July 1, 2019 – December 31, 2019, has been captured for the base year (FY20) emissions of these ingredients sites.

	FY20		FY21		FY22				
	Firmenich <sup>(7)</sup>	New Ingredients Sites <sup>(8)</sup>	Total	Firmenich	New Ingredients Sites	Total	Firmenich	New Ingredients Sites	Total
<b>GHG Emissions Intensity (kg CO<sub>2</sub>e/tonne produced) GRI 305-4</b>									
Scope 1: Direct Emissions	299.15	439.81	366.09	308.91	501.84	399.62	308.24	447.20	375.73
Scope 2: Indirect Emissions (Market-Based)	34.06	125.01	77.34	27.95	1.04	15.30	29.80	0.72	15.67
Total Scope 1 & 2 Emissions (Market-Based)	333.21	564.82	443.43	336.87	502.87	414.91	338.04	447.91	391.40
<b>Other (tonnes) GRI 305-7</b>									
NO <sub>x</sub>	131.66	650.91	782.57	146.25	727.24	873.49	152.34	703.75	856.09
SO <sub>x</sub>	6.97	37.40	44.37	9.83	35.95	45.78	11.15	35.35	46.50
VOC	219.95	638.27	858.21	214.48	720.02	934.50	183.17	756.33	939.50
<b>Production (tonnes)</b>									
Production	248,095.96	225,260.00	473,355.96	255,366.40	226,594.44	481,960.84	264,249.37	249,531.26	513,780.63
<b>Energy (GJ) GRI 302-1; 302-4</b>									
Total Direct Energy	1,274,192.82	3,873,518.05	5,147,710.87	1,367,737.83	4,360,022.09	5,727,759.92	1,414,709.38	4,221,818.01	5,636,527.39
Natural Gas	1,139,781.11	1,303,866.36	2,443,647.47	1,191,447.84	1,530,584.72	2,722,032.56	1,223,192.13	1,474,588.20	2,697,780.33
Oil	11,392.75	21,228.87	32,621.62	15,453.22	11,752.03	27,205.25	16,030.22	12,573.51	28,603.73
Biomass/Biofuel (All Forms)	77,835.04	2,522,133.10	2,599,968.13	103,974.94	2,791,406.68	2,895,381.62	112,802.48	2,701,209.96	2,814,012.44
LPG	3,895.21	378.53	4,273.75	3,980.51	637.95	4,618.46	3,266.04	754.15	4,020.19
Incinerating Waste	38,650.92	25,911.20	64,562.11	48,830.10	25,640.72	74,470.82	54,008.31	32,692.19	86,700.50
Self Generated Solar (With Ownership)	2,637.79	-	2,637.79	4,051.22	-	4,051.22	5,410.20	-	5,410.20
Total Indirect Energy Purchased	894,330.94	1,138,515.22	2,032,846.16	911,264.94	1,208,449.01	2,119,713.95	941,934.68	1,140,951.83	2,082,886.51
Electricity	776,504.68	429,957.06	1,206,461.74	805,866.48	426,957.80	1,232,824.28	828,600.98	437,206.72	1,265,807.70
Steam	101,787.26	708,558.16	810,345.42	101,293.46	781,491.21	882,784.67	113,333.70	703,745.11	817,078.81
Indirect Heat	16,039.00	-	16,039.00	4,105.00	-	4,105.00	-	-	-
Total Energy	2,168,523.76	5,012,033.28	7,180,557.03	2,279,002.77	5,568,471.10	7,847,473.87	2,356,644.06	5,362,769.84	7,719,413.90
Renewable Direct Energy (Own Source)	80,472.83	2,508,855.17	2,589,327.99	108,026.16	2,776,008.96	2,884,035.12	118,212.68	2,683,675.41	2,801,888.09
Renewable Indirect Energy Purchased	776,504.68	1,134,469.87	1,910,974.55	805,866.48	1,204,278.54	2,010,145.02	828,600.98	1,137,774.41	1,966,375.39
Total Energy % Renewable	40%	73%	63%	40%	71%	62%	40%	71%	62%

(7) Firmenich's FY20 environmental data does not include some smaller recent mergers and acquisitions. However, these mergers and acquisitions have been incorporated into the FY17 base year and emissions restatement for our science-based targets.

(8) Some of our new ingredients sites' FY20 environmental data is based on CY20 (January 1, 2020 – December 31, 2020) since VOC, production, water, and waste data prior to January 1, 2020 is not reliable and comparable. Emissions and energy data for July 1, 2019 – December 31, 2019, has been captured for the base year (FY20) emissions of these ingredients sites.

	FY20			FY21			FY22		
	Firmenich <sup>(7)</sup>	New Ingredients Sites <sup>(8)</sup>	Total	Firmenich	New Ingredients Sites	Total	Firmenich	New Ingredients Sites	Total
<b>Water Withdrawal (m³) GRI 303-3</b>									
Municipal	1,410,678.94	322,171.00	1,732,849.94	1,488,648.52	347,206.89	1,835,855.41	1,543,492.16	420,802.41	1,964,294.57
Ground	52,499.51	9,763,575.00	9,816,074.51	324,757.07	9,645,141.72	9,969,898.80	265,453.02	9,486,952.35	9,752,405.37
Municipal & Ground	1,463,178.45	10,085,746.00	11,548,924.45	1,813,405.59	9,992,348.61	11,805,754.20	1,808,945.17	9,907,754.76	11,716,699.93
Surface	3,150,784.77	1,186.00	3,151,970.77	3,007,212.00	1,186.00	3,008,398.00	2,724,542.00	960.00	2,725,502.00
Recycle/Reuse	51,556.84	-	51,556.84	48,650.62	-	48,650.62	54,023.47	-	54,023.47
<b>Total (Excluding Recycle/Reuse)</b>	<b>4,613,963.22</b>	<b>10,086,932.00</b>	<b>14,700,895.22</b>	<b>4,820,617.59</b>	<b>9,993,534.61</b>	<b>14,814,152.20</b>	<b>4,533,487.17</b>	<b>9,908,714.76</b>	<b>14,442,201.93</b>
<b>Water Withdrawal (m³) in Stressed Areas (FY20 - Top 10; FY21 - Top 11; FY22 - Top 12) GRI 303-3</b>									
Municipal	502,595.45	-	502,595.45	570,239.59	-	570,239.59	571,200.00	-	571,200.00
Ground	37,946.47	-	37,946.47	24,182.64	-	24,182.64	40,269.17	-	40,269.17
Municipal & Ground	540,541.92	-	540,541.92	594,422.23	-	594,422.23	611,469.17	-	611,469.17
Surface	8,659.77	-	8,659.77	-	-	-	-	-	-
Recycle/Reuse	11,955.00	-	11,955.00	9,759.00	-	9,759.00	14,467.00	-	14,467.00
<b>Total (Excluding Recycle/Reuse)</b>	<b>549,201.69</b>	<b>-</b>	<b>549,201.69</b>	<b>594,422.23</b>	<b>-</b>	<b>594,422.23</b>	<b>611,469.17</b>	<b>-</b>	<b>611,469.17</b>
<b>Effluent Discharge GRI 303-4</b>									
Direct Discharge to Surface Water with On-Site Treatment (m³)	684,652.33	9,319,397.15	10,004,049.48	772,935.50	9,078,810.38	9,851,745.88	812,451.62	8,788,369.29	9,600,820.91
COD Direct Discharge to Surface Water with On-Site Treatment (tonnes)	133.90	178.82	312.73	129.70	182.26	311.96	227.92	197.30	425.22
Discharge to Off-Site Municipal Wastewater System (m³)	771,175.49	1,297,616.44	2,068,791.94	795,275.32	1,219,749.60	2,015,024.92	733,790.35	1,402,674.75	2,136,465.10
COD Discharge to Off-Site Municipal Wastewater System (tonnes)	1,953.60	2,619.19	4,572.78	2,089.73	2,714.70	4,804.44	2,101.63	4,061.03	6,162.66
<b>Total Effluent (m³)</b>	<b>1,455,827.83</b>	<b>10,617,013.59</b>	<b>12,072,841.42</b>	<b>1,568,210.82</b>	<b>10,298,559.99</b>	<b>11,866,770.80</b>	<b>1,546,241.97</b>	<b>10,191,044.04</b>	<b>11,737,286.01</b>
<b>Total COD (tonnes)</b>	<b>2,087.50</b>	<b>2,798.01</b>	<b>4,885.51</b>	<b>2,219.43</b>	<b>2,896.96</b>	<b>5,116.39</b>	<b>2,329.54</b>	<b>4,258.33</b>	<b>6,587.88</b>

(7) Firmenich's FY20 environmental data does not include some smaller recent mergers and acquisitions. However, these mergers and acquisitions have been incorporated into the FY17 base year and emissions restatement for our science-based targets.

(8) Some of our new ingredients sites' FY20 environmental data is based on CY20 (January 1, 2020 – December 31, 2020) since VOC, production, water, and waste data prior to January 1, 2020 is not reliable and comparable. Emissions and energy data for July 1, 2019 – December 31, 2019, has been captured for the base year (FY20) emissions of these ingredients sites.

	FY20		FY21		FY22				
	Firmenich <sup>(7)</sup>	New Ingredients Sites <sup>(8)</sup>	Total	Firmenich	New Ingredients Sites	Total	Firmenich	New Ingredients Sites	Total
<b>Waste Generation &amp; Disposal GRI 306-3; 306-4; 306-5</b>									
<b>Hazardous Waste (tonnes)</b>									
Incinerated (Without Heat Recovery)	6,182.66	3,467.16	9,649.83	6,609.69	3,133.88	9,743.57	6,756.48	4,993.31	11,749.79
Incinerated (With Heat Recovery)	11,990.63	944.53	12,935.16	13,585.93	955.74	14,541.66	16,867.54	1,392.67	18,260.21
Landfilled	11.24	25.79	37.03	12.42	25.56	37.98	14.34	0.04	14.38
Other	942.12	0.10	942.22	748.07	49.74	797.81	858.02	317.87	1,175.89
<b>Total Hazardous Waste</b>	<b>19,126.66</b>	<b>4,437.58</b>	<b>23,564.24</b>	<b>20,956.12</b>	<b>4,164.91</b>	<b>25,121.03</b>	<b>24,496.39</b>	<b>6,703.88</b>	<b>31,200.27</b>
<b>Non-Hazardous Waste (tonnes)</b>									
Incinerated (Without Heat Recovery)	162.33	80.82	243.15	214.12	71.72	285.84	334.88	180.27	515.15
Incinerated (With Heat Recovery)	2,115.87	-	2,115.87	2,447.96	36.07	2,484.03	2,294.82	20.04	2,314.85
Landfilled	804.78	3,585.62	4,390.40	498.85	4,663.92	5,162.77	500.22	5,734.56	6,234.78
Other	296.99	17.69	314.68	224.93	23.44	248.38	1,081.29	197.72	1,279.01
<b>Total Non-Hazardous Waste</b>	<b>3,379.97</b>	<b>3,684.13</b>	<b>7,064.10</b>	<b>3,385.86</b>	<b>4,795.15</b>	<b>8,181.01</b>	<b>4,211.21</b>	<b>6,132.58</b>	<b>10,343.79</b>
<b>Effluent Waste (tonnes)</b>									
Incinerated	2,174.18	-	2,174.18	2,068.20	-	2,068.20	2,070.25	-	2,070.25
Landfilled	353.54	312.08	665.61	644.83	312.98	957.81	658.53	104.33	762.85
Land Application	105.33	4,298.69	4,404.02	48.24	5,773.28	5,821.52	31.61	10,191.00	10,222.61
Other	-	-	-	317.06	-	317.06	295.12	-	295.12
<b>Total Effluent Waste</b>	<b>2,633.05</b>	<b>4,610.77</b>	<b>7,243.81</b>	<b>3,078.32</b>	<b>6,086.26</b>	<b>9,164.59</b>	<b>3,055.51</b>	<b>10,295.33</b>	<b>13,350.83</b>
<b>Total Recycled Waste (tonnes)</b>	<b>16,009.07</b>	<b>42,657.29</b>	<b>58,666.36</b>	<b>17,040.47</b>	<b>44,629.65</b>	<b>61,670.12</b>	<b>20,037.88</b>	<b>20,238.47</b>	<b>40,276.34</b>
<b>Total Waste (tonnes)</b>									
Total Incinerated & Landfilled	23,795.24	8,416.00	32,211.23	26,082.00	9,199.87	35,281.86	29,497.06	12,425.21	41,922.26
<b>Total (Hazardous, Non-Hazardous, Effluent, Recycled)</b>	<b>41,148.74</b>	<b>55,389.77</b>	<b>96,538.51</b>	<b>44,460.78</b>	<b>59,675.98</b>	<b>104,136.75</b>	<b>51,800.98</b>	<b>43,370.26</b>	<b>95,171.24</b>

(7) Firmenich's FY20 environmental data does not include some smaller recent mergers and acquisitions. However, these mergers and acquisitions have been incorporated into the FY17 base year and emissions restatement for our science-based targets.

(8) Some of our new ingredients sites' FY20 environmental data is based on CY20 (January 1, 2020 – December 31, 2020) since VOC, production, water, and waste data prior to January 1, 2020 is not reliable and comparable. Emissions and energy data for July 1, 2019 – December 31, 2019, has been captured for the base year (FY20) emissions of these ingredients sites.

## ENVIRONMENTAL REPORTING SCOPE

The scope of all environmental data presented includes all Firmenich level 1 sites globally and follows the operational control consolidation approach. Level 1 sites include any manufacturing site regardless of the number of employees or any other site (e.g., office, labs) with more than 50 employees.

All environmental data presented for FY22 is based on the adjusted period (April 1, 2021 – March 31, 2022). The complete, finalized FY22 environmental data will be published in a separate company update during the first half of FY23. Scope 3 emissions for FY22 will also be published at this time. As FY21 is the updated base year established for our Scope 3 emissions, FY20 is not disclosed.

## EMISSION FACTORS AND GLOBAL WARMING POTENTIALS

Scope 1 Emission Factors	GHG Protocol Emission Factors from Cross Sector Tools (2014) 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 ( $\text{CH}_4$ , $\text{N}_2\text{O}$ , and Refrigerants)	IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report, 2014 (AR5) ASHRAE Standard 34 & US EPA (Environmental Protection Agency) Ozone Layer Protection SNAP Program (for some refrigerants)
$\text{NO}_x$ and $\text{SO}_x$ Emission Factors	Calculated using EPA AP-42 and European Environmental Agency emission factors



## VARIATIONS IN ENVIRONMENTAL DATA

Environmental data from previous years is updated, adjusted, or corrected as needed. Any changes in environmental data previously published that fall below a 1% threshold are deemed not material unless they are found to be of sufficient importance to our management team, and in these cases, the explanation for the variation will be clearly detailed. All cases in which variations exceed 1% are detailed on the following page.

## VARIATIONS IN ENVIRONMENTAL DATA

ENVIRONMENTAL DATA	FY21 VARIATION	PRIMARY REASON FOR VARIATION
Scope 1: Direct Emissions	+16.9%	Corrections to new ingredients sites' energy profile based on more reliable data.
Total Scope 1 & 2 Emissions (Market-Based)	+16.1%	
CO <sub>2</sub> Emissions from Biogenic Sources	-4.6%	Corrections to include CH <sub>4</sub> and N <sub>2</sub> O from biomass in Scope 1.
Purchased Goods & Services	-16.4%	
Outbound Transportation & Distribution	+5.8%	
Employee Commuting	-76.7%	Full evaluation of Scope 3 emissions with updated methodology.
Total Scope 3 Emissions	-12.1%	
Scope 1: GHG Emissions Intensity	+15.8%	Corrections to new ingredients sites' energy profile based on more reliable data. Production changed less than 1% influencing the GHG intensity more significantly.
Scope 2: GHG Emissions Intensity	+2.0%	Production changed less than 1% influencing the GHG intensity more significantly.
NO <sub>x</sub>	+1.7%	Corrections to new ingredients sites' emissions profile based on more reliable data.
SO <sub>x</sub>	+2.6%	Corrections to new ingredients sites' emissions profile based on more reliable data.
VOC	+13.8%	Corrections to new ingredients sites' VOC emissions to complete missing past data.
Biomass/Biofuel (All Forms)	+6.8%	Corrections to new ingredients sites' energy profile based on more reliable data.
LPG	+7.1%	Corrections to new ingredients sites' energy profile based on more reliable data.
Incinerating Waste	-63.3%	Corrections to new ingredients sites' energy profile based on more reliable data.
Renewable Direct Energy (Own Source)	+6.3%	
Renewable Indirect Energy Purchased	+63.0%	Corrections to new ingredients sites' energy profile based on more reliable data.
Total Energy % Renewable	+2.2%	
Direct Discharge to Surface Water with On-Site Treatment (m <sup>3</sup> )	-3.5%	Corrections to new ingredients sites' wastewater discharge profile based on more reliable data.
COD Direct Discharge to Surface Water with On-Site Treatment (tonnes)	-3.6%	Corrections to new ingredients sites' wastewater discharge profile based on more reliable data.
Discharge to Off-Site Municipal Wastewater System (m <sup>3</sup> )	+4.3%	Corrections to new ingredients sites' wastewater discharge profile based on more reliable data.
Total Effluent (m <sup>3</sup> )	-2.2%	Corrections to new ingredients sites' wastewater discharge profile based on more reliable data.
Hazardous Waste Incinerated (With Heat Recovery)	-62.6%	Corrections to new ingredients sites' waste profile based on more reliable data.
Total Hazardous Waste	-49.2%	
Non-Hazardous Waste Landfill	+3.1%	
Non-Hazardous Waste Other	-99.3%	New flavors sites reclassified waste from 'other' to landfill based on more reliable information on waste profile.
Total Non-Hazardous Waste	+5.0%	
Effluent Waste Landfill	+3.2%	New flavors sites reclassified waste from 'other' to landfill based on more reliable information on waste profile.
Effluent Waste Other	-8.5%	
Total Incinerated & Landfilled	-40.6%	Corrections to new ingredients sites' waste profile based on more reliable data. New flavors sites reclassified waste from 'other' to landfill based on more reliable information on waste profile.
Total (Hazardous, Non-Hazardous, Effluent, Recycled)	-18.8%	

## GRI 102-8 • 102-41 • 401-1 • 401-3 • 405-1

WORKFORCE TRENDS	2021		2022		TOTAL WORKFORCE 2022
Total workforce at the end of the reporting period - men	4,800	59.5%	6,485	62.8%	
Total workforce at the end of the reporting period - women	3,272	40.5%	3,841	37.2%	10,326

WORKFORCE TRENDS	2021		2022		TOTAL FULL-TIME WORKFORCE 2022
Full-time equivalent workforce - men	4,790.4	59.78%	6,471.7	63.06%	
Full-time equivalent workforce - women	3,223.3	40.22%	3,791.3	36.94%	10,263

WORKFORCE BY REGION AND BY GENDER	MEN - 2022		WOMEN - 2022		TOTAL WORFORCE BY REGION AND BY GENDER 2022
Europe	3,024	63.3%	1,757	36.7%	4,781
India, Middle East & Africa	940	77.0%	281	23.0%	1,221
North America	1,241	63.7%	707	36.3%	1,948
South America	531	57.1%	399	42.9%	930
North Asia	446	54.7%	370	45.3%	816
South & East Asia	303	48.1%	327	51.9%	630
<b>Grand Total</b>	<b>6,485</b>	<b>62.8%</b>	<b>3,841</b>	<b>37.2%</b>	<b>10,326</b>

WORKFORCE BY TYPE OF WORKING DAY AND GENDER	2021		2022		TOTAL WORKFORCE 2022
Number of men full-time	4,730	58.6%	6,402	62.0%	
Number of men part-time	70	0.9%	83	0.8%	
Number of women full-time	3,018	37.4%	3,594	34.8%	
Number of women part-time	254	3.1%	247	2.4%	10,326

COLLECTIVE BARGAINING FIGURES	ACTIVE FTE	ACTIVE FTE COVERED BY COLLECTIVE AGREEMENT	% COVERED BY COLLECTIVE AGREEMENT
Region			
Europe	4,301	2,833	66%
India, Middle East & Africa	1,213	50	4%
North America	1,930	132	7%
South America	913	508	56%
North Asia	797	97	12%
South & East Asia	609	0	0%
<b>Total</b>	<b>9,763</b>	<b>3,620</b>	<b>37%</b>

Firmenich moved to majority ownership of ArtSci in May 2022. This entity is not included in the scope of the report and will be integrated gradually in our ESG framework in FY23.

New Employee Hires in 2021 (Men)						
Region	<30 Years		30-50 Years		>50 Years	
Europe	41	14.5%	107	37.8%	20	7.1%
India, Middle East & Africa	10	15.6%	30	46.9%	4	6.3%
North America	39	15.9%	104	42.3%	30	12.2%
North Asia	10	12.5%	35	43.8%	0	0.0%
South & East Asia	2	3.4%	17	28.8%	2	3.4%
South America	22	15.2%	53	36.6%	3	2.1%
<b>Grand Total</b>	<b>124</b>	<b>14.1%</b>	<b>346</b>	<b>39.5%</b>	<b>59</b>	<b>6.7%</b>

New Employee Hires in 2021 (Women)						
Region	<30 Years		30-50 Years		>50 Years	
Europe	41	14.5%	62	21.9%	12	4.2%
India, Middle East & Africa	1	1.6%	17	26.6%	2	3.1%
North America	31	12.6%	36	14.6%	6	2.4%
North Asia	11	13.8%	24	30.0%	0	0.0%
South & East Asia	12	20.3%	24	40.7%	2	3.4%
South America	29	20.0%	36	24.8%	2	1.4%
<b>Grand Total</b>	<b>125</b>	<b>14.3%</b>	<b>199</b>	<b>22.7%</b>	<b>24</b>	<b>2.7%</b>

TOTAL 2021	
	283
	64
	246
	80
	59
	145
	<b>877</b>

New Employee Hires in 2022 (Men)						
Region	<30 Years		30-50 Years		>50 Years	
Europe	82	14.5%	195	34.5%	35	6.2%
India, Middle East & Africa	39	24.5%	57	35.8%	1	0.6%
North America	95	21.2%	161	35.9%	49	10.9%
North Asia	18	18.2%	27	27.3%	0	0.0%
South & East Asia	22	20.6%	38	35.5%	2	1.9%
South America	41	19.3%	75	35.4%	7	3.3%
<b>Grand Total</b>	<b>297</b>	<b>18.7%</b>	<b>553</b>	<b>34.8%</b>	<b>94</b>	<b>5.9%</b>

New Employee Hires in 2022 (Women)						
Region	<30 Years		30-50 Years		>50 Years	
Europe	90	15.9%	148	26.2%	15	2.7%
India, Middle East & Africa	24	15.1%	37	23.3%	1	0.6%
North America	49	10.9%	64	14.3%	31	6.9%
North Asia	23	23.2%	30	30.3%	1	1.0%
South & East Asia	17	15.9%	27	25.2%	1	0.9%
South America	45	21.2%	42	19.8%	2	0.9%
<b>Grand Total</b>	<b>248</b>	<b>15.6%</b>	<b>348</b>	<b>21.9%</b>	<b>51</b>	<b>3.2%</b>

TOTAL 2022	
	565
	159
	449
	99
	107
	212
	<b>1,591</b>

NEW EMPLOYEES HIRES BY AGE GROUP (MEN)		2021		2022	
< 30 years	124	49.8%	297	54.5%	
30-50 years	346	63.5%	553	61.4%	
> 50 years	59	71.1%	94	64.8%	
<b>Total</b>	<b>529</b>	<b>60.3%</b>	<b>944</b>	<b>59.3%</b>	

NEW EMPLOYEES HIRES BY AGE GROUP (WOMEN)		2021		2022	
< 30 years	125	50.2%	248	45.5%	
30-50 years	199	36.5%	348	38.6%	
> 50 years	24	28.9%	51	35.2%	
<b>Total</b>	<b>348</b>	<b>39.7%</b>	<b>647</b>	<b>40.7%</b>	

TOTAL OF NEW EMPLOYEES HIRES BY AGE GROUP (2022)	
	545
	901
	145
	<b>1,591</b>

MEN BY EMPLOYMENT CATEGORY		2021		2022	
Directors	644	60.5%	700	59.6%	
Middle managers	1,242	48.6%	1,604	51.4%	
Rest of workforce	2,624	65.4%	3,858	69.3%	
<b>Total</b>	<b>4,510</b>	<b>59.1%</b>	<b>6,162</b>	<b>62.5%</b>	

WOMEN BY EMPLOYMENT CATEGORY		2021		2022	
Directors	420	39.5%	475	40.4%	
Middle managers	1,311	51.4%	1,516	48.6%	
Rest of workforce	1,388	34.6%	1,712	30.7%	
<b>Total</b>	<b>3,119</b>	<b>40.9%</b>	<b>3,703</b>	<b>37.5%</b>	

TOTAL OF EMPLOYEES BY EMPLOYMENT CATEGORY (2022)	
	1,175
	3,120
	5,570
	<b>9,865</b>

EXECUTIVE BOARD (MEN)		2021		2022	
< 30 years	0	0.0%	0	0.0%	
30-50 years	1	11.1%	0	0.0%	
> 50 years	4	44.4%	5	83.3%	
<b>Total</b>	<b>5</b>	<b>55.6%</b>	<b>5</b>	<b>55.6%</b>	

EXECUTIVE BOARD (WOMEN)		2021		2022	
< 30 years	0	0.0%	0	0.0%	
30-50 years	2	22.2%	3	100.0%	
> 50 years	2	22.2%	1	16.7%	
<b>Total</b>	<b>4</b>	<b>44.4%</b>	<b>4</b>	<b>44.4%</b>	

TOTAL OF EXECUTIVE BOARD MEMBERS (2022)	
	0
	3
	6
	<b>9</b>

MEN BY AGE GROUP		2021		2022	
< 30 years	414	49.1%	638	53.0%	
30-50 years	3,028	58.9%	4,007	61.9%	
> 50 years	1,068	64.8%	1,517	69.3%	
<b>Total</b>	<b>4,510</b>	<b>59.1%</b>	<b>6,162</b>	<b>62.5%</b>	

WOMEN BY AGE GROUP		2021		2022	
< 30 years	430	50.9%	566	47.0%	
30-50 years	2,109	41.1%	2,464	38.1%	
> 50 years	580	35.2%	673	30.7%	
<b>Total</b>	<b>3,119</b>	<b>40.9%</b>	<b>3,703</b>	<b>37.5%</b>	

TOTAL OF EMPLOYEES BY AGE GROUP (2022)	
	1,204
	6,471
	2,190
	<b>9,865</b>

TURNOVER BY AGE (MEN)		2021	2022
< 30 years		18.3%	20.9%
30-50 years		8.8%	9.5%
> 50 years		10.7%	9.2%

TURNOVER BY AGE (WOMEN)		2021	2022
< 30 years		14.5%	13.8%
30-50 years		7.5%	9.4%
> 50 years		10.3%	7.5%

R12 TOTAL TURNOVER BY REGION, GENDER AND AGE BAND (MEN)			
REGION	% TURNOVER <30 Y	% TURNOVER 30-50 Y	% TURNOVER OF >50
Europe	8.9%	4.2%	6.2%
India, Middle East & Africa	10.0%	9.1%	7.8%
North America	49.2%	21.4%	14.6%
North Asia	17.1%	8.2%	4.2%
South & East Asia	17.1%	9.0%	16.9%
South America	29.4%	15.4%	6.4%
<b>Grand Total</b>	<b>20.9%</b>	<b>9.5%</b>	<b>9.2%</b>

R12 TOTAL TURNOVER BY REGION, GENDER AND AGE BAND (WOMEN)			
REGION	AVG. FTE <30 Y	AVG. FTE 30-50 Y	AVG. FTE >50
Europe	6.0%	6.7%	5.5%
India, Middle East & Africa	18.2%	9.7%	6.9%
North America	22.9%	16.2%	10.9%
North Asia	14.6%	7.9%	6.2%
South & East Asia	10.0%	12.4%	9.0%
South America	19.1%	9.9%	2.7%
<b>Grand Total</b>	<b>13.8%</b>	<b>9.4%</b>	<b>7.5%</b>

FY22 TOTAL TURNOVER - TERMINATIONS FTE				
REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	30.0	140.4	64.8	235.2
India, Middle East & Africa	22.0	82.0	8.0	112.0
North America	87.0	191.0	93.8	371.8
North Asia	14.0	52.0	3.0	69.0
South & East Asia	11.0	47.0	10.0	68.0
South America	40.0	84.0	5.0	129.0
<b>Grand Total</b>	<b>204.0</b>	<b>596.4</b>	<b>184.6</b>	<b>985.0</b>

FY22 TOTAL TURNOVER				
REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	7.4%	5.1%	6.0%	5.6%
India, Middle East & Africa	12.0%	9.2%	7.7%	9.5%
North America	37.0%	19.5%	13.4%	19.4%
North Asia	15.8%	8.1%	4.7%	8.7%
South & East Asia	13.6%	10.7%	12.5%	11.4%
South America	23.9%	13.2%	5.1%	14.3%
<b>Grand Total</b>	<b>17.6%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>10.3%</b>

## FY22 TURNOVER - MEN - TERMINATIONS FTE

REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	18.0	69.8	47.8	135.6
India, Middle East & Africa	14.0	63.0	7.0	84.0
North America	62.0	133.0	70.0	265.0
North Asia	7.0	29.0	2.0	38.0
South & East Asia	7.0	19.0	6.0	32.0
South America	23.0	58.0	4.0	85.0
<b>Grand Total</b>	<b>131.0</b>	<b>371.8</b>	<b>136.8</b>	<b>639.6</b>

## TOTAL FY22 TURNOVER - MEN

REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	8.9%	4.2%	6.2%	5.1%
India, Middle East & Africa	10.0%	9.1%	7.8%	9.1%
North America	49.2%	21.4%	14.6%	21.6%
North Asia	17.1%	8.2%	4.2%	8.6%
South & East Asia	17.1%	9.0%	16.9%	11.1%
South America	29.4%	15.4%	6.4%	16.5%
<b>Grand Total</b>	<b>20.9%</b>	<b>9.5%</b>	<b>9.2%</b>	<b>10.6%</b>

## FY22 TURNOVER - WOMEN - TERMINATIONS FTE

REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	12.0	70.6	17.0	99.6
India, Middle East & Africa	8.0	19.0	1.0	28.0
North America	25.0	58.0	23.8	106.8
North Asia	7.0	23.0	1.0	31.0
South & East Asia	4.0	28.0	4.0	36.0
South America	17.0	26.0	1.0	44.0
<b>Grand Total</b>	<b>73.0</b>	<b>224.6</b>	<b>47.8</b>	<b>345.4</b>

## TOTAL FY22 TURNOVER - WOMEN

REGION	< 30 YEARS	30-50 YEARS	> 50 YEARS	TOTAL
Europe	6.0%	6.7%	5.5%	6.4%
India, Middle East & Africa	18.2%	9.7%	6.9%	11.0%
North America	22.9%	16.2%	10.9%	15.6%
North Asia	14.6%	7.9%	6.2%	8.8%
South & East Asia	10.0%	12.4%	9.0%	11.6%
South America	19.1%	9.9%	2.7%	11.3%
<b>Grand Total</b>	<b>13.8%</b>	<b>9.4%</b>	<b>7.5%</b>	<b>9.7%</b>

## GLOBAL PARENTAL LEAVE - FIXED AND TEMP

TYPE OF LEAVE	FEMALE	MALE	GRAND TOTAL
Primary Caregiver <sup>1</sup>	75	4	79
Secondary Caregiver <sup>2</sup>	0	79	79
Paid Parental leave <sup>3</sup>	25	35	60
<b>Grand Total</b>	<b>100</b>	<b>118</b>	<b>218</b>

TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER IN PRIMARY CAREGIVER<sup>1</sup>

	2021	2022
Men	Not disclosed	4.0
Women	Not disclosed	75.0
<b>Total</b>	<b>Not disclosed</b>	<b>79.0</b>

Scope: includes FIRAGILEX, Pinova and excludes VKL, MG, FIRESSEX, DRT

TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER IN SECONDARY CAREGIVER<sup>2</sup>

	2021	2022
Men	Not disclosed	79.0
Women	Not disclosed	0.0
<b>Total</b>	<b>Not disclosed</b>	<b>79.0</b>

Scope: includes FIRAGILEX, Pinova and excludes VKL, MG, FIRESSEX, DRT

TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER IN PAID PARENTAL LEAVE<sup>3</sup>

	2021	2022
Men	Not disclosed	35.0
Women	Not disclosed	25.0
<b>Total</b>	<b>Not disclosed</b>	<b>60.0</b>

1. The Primary Caregiver parent is the parent who has the primary responsibility for welcoming a child.

2. The Secondary Caregiver is the parent who does not comply with the primary caregiver definition but still bears jointly the responsibility for welcoming the new child into the family.

3. According to US local legislations, gender neutral approach applied.

# 2030 ambitions: Acting on Climate Change

## CORPORATE

### Carbon positive

IN OUR DIRECT OPERATIONS [BEYOND 2025].  
BY 2030 WE WILL HAVE ACHIEVED ABSOLUTE CARBON  
EMISSION REDUCTION IN LINE WITH THE 1.5°C SCIENCE-BASED TARGETS



100%

RENEWABLE ELECTRICITY



-20%

SCOPE 3 CO<sub>2</sub>E EMISSIONS  
(FROM PURCHASED  
RAW MATERIALS) VS. 2021



### Water Neutral

IN DIRECT OPERATIONS LOCATED  
IN WATER STRESSED AREAS



### Zero Waste TO LANDFILL



-55%

SCOPE 1 & SCOPE 2  
CO<sub>2</sub>E EMISSIONS VS. 2017



100%

PLASTIC RECYCLED



## INGREDIENTS

70%

OF FIRMENICH INGREDIENTS MANUFACTURED  
FROM RENEWABLE CARBON



## PERFUMERY

100%

OF OUR FRAGRANCES WILL BE  
RENEWABLE (ISO 16128\*)



70%

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

285 million m<sup>3</sup>

OUR SMARTPROTEINS® WILL HELP SAVE 285 MILLION  
M<sup>3</sup> OF WATER / YEAR



4.5 million TCO<sub>2</sub>e

OUR SMARTPROTEINS® WILL HELP REDUCE  
4.5 MILLION TONNES CO<sub>2</sub>E EMISSION / YEAR



# 2030 ambitions: Embracing Nature

## CORPORATE

100%

OF OUR NATURE PROGRAM REPORTING AGAINST  
SCIENCE-BASED TARGETS FOR NATURE



Lead Green  
Chemistry  
transformation

## INGREDIENTS

10

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 FORUM



High vitality

R&D PROJECT PIPELINE DEDICATED TO DECREASING  
PRESSURE ON THREATENED NATURAL RESOURCES



## PERFUMERY

99%

ULTIMATELY OR PARTIALLY BIODEGRADABLE  
INGREDIENTS IN OUR FRAGRANCE PORTFOLIO



## TASTE & BEYOND

Green proteins

LEAD THE GLOBAL DIET TRANSFORMATION  
THROUGH GREEN PROTEINS, CONTRIBUTING TO SOIL  
HEALTH REGENERATION



ECOFOOD  
COMPASS™

TASTE & BEYOND CREATION PALETTE  
MEASURED BY ECOFOOD COMPASS™

# 2030 ambitions: Caring about People

## CORPORATE

**55%**

OF SENIOR LEADERS ARE DIVERSE\*  
NO GENDER PAY GAP, NO ETHNIC PAY  
GAP, NO ENGAGEMENT GAP



**5,000**

OF JOB OPPORTUNITIES  
CREATED FOR YOUTH



**25,000**

HOURS OF VOLUNTEERING  
PER YEAR



**10%**

OF DIFFERENTLY-ABLED  
PEOPLE IN OUR WORKFORCE

**500,000**

HOURS OF TRAINING INVESTED  
GLOBALLY



**400**

COMMUNITY PROJECTS  
FUNDED BY OUR FOUNDATION

**Zero  
human  
rights**

NON COMPLIANCE IN OUR  
OPERATIONS



**Maintain  
our EDGE  
certification**

ULTIMATELY OR PARTIALLY  
BIODEGRADABLE INGREDIENTS  
IN OUR FRAGRANCE PORTFOLIO



SUSTAIN AND FURTHER  
IMPROVE OUR  
**industry-  
leading safety  
performance**



BY MAINTAINING A TOTAL  
RECORDABLE CASE (TRC)  
RATE BELOW 0.20

TRAIN MAJOR SUPPLIERS ON

**Human  
Rights**

AND RESPONSIBLE SOURCING



SCALE UP OUR SUPPLIERS'  
ENGAGEMENT ON

**living  
wage**



## PERFUMERY

**100%**

MAINTAIN 100% COMPLIANCE  
WITH IFRA STANDARDS



**Embrace  
transparency**

WITH DISCLOSURE OF  
INGREDIENTS DOWN TO  
900/100PPM



## TASTE & BEYOND

**2.8 trillion**

REDUCE CALORIES FROM  
SUGAR IN PEOPLE'S DIET UP TO  
2.8 TRILLION (240% REDUCTION  
VS 2020)



\* 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



## 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



## BUSINESS ETHICS

80

MAINTAIN A SCORE OF 80  
ON ECOVADIS ETHICS SECTION

MAINTAIN A STRONG CULTURE OF FOOD  
PROTECTION WITH :

Zero non-  
conformance  
CUSTOMER FOOD PROTECTION

Zero end product  
recall  
DUE TO FIRMENICH PRODUCTS



## DIGITAL ACCELERATION

Scale up

OUR DIGITAL  
TRACEABILITY PROGRAM

OUR ECOTOOLS  
ECOSCENT COMPASS™  
ECOFOOD COMPASS™  
ECOINGREDIENTS COMPASS™

Full digitalization  
OF ESG DATA REPORTING

AUGMENTED  
Discovery

Continue operating  
AGAINST OUR AI FOR GOOD CHARTER

# Site certifications FY22

ZONE	SITE	PRODUCTS	QUALITY ISO 9001	ENVIRONMENT ISO 14001	OCCUPATIONAL HEALTH & SAFETY ISO 45001	ENERGY MANAGEMENT ISO 50001	FOOD SAFETY STANDARDS FSSC 22000	SMETA 6.1 4 PILLARS AUDIT
EMEA	Louvain-La-Neuve, Belgium	Fl	✓	✓	✓		✓	✓
	Castets, France	I		✓				✓
	Castets <sup>1</sup> , France	I	✓	✓	✓	✓		✓
	Castets <sup>2</sup> , France	I	✓	✓	✓			✓
	Lesperon, France	I	✓				✓	✓
	Mourenx, France	I	✓					✓
	Vielle-St-Girons, France	I				✓	✓	✓
	Grasse, France	I	✓	✓	✓		✓	✓
	Trostberg, Germany	I	✓	✓			✓	✓
	Parma, Italy	Fl					(BRC)	✓
	Aalesund, Norway	Fl	✓	✓	✓	✓	✓	✓
	Midrand, South Africa	Fl					✓	✓
	La Plaine, Switzerland	I		✓	✓			✓
	Meyrin, Switzerland	Fl / Fr	✓	✓	✓		✓	✓
LATIN AMERICA	Kocaeli, Turkey	Fr	✓	✓	✓			✓
	Thirsk, UK	Fl	✓	✓	✓		✓	✓
	Bueno Aires, Argentina	Fl / Fr	✓	✓	✓		✓	✓
	Sao Paulo, Brazil	Fl / Fr	✓	✓	✓		✓	✓
	Bogota, Colombia	Fl / Fr	✓	✓	✓		✓	✓
	Monterrey, Mexico	Fl / Fr					(BRC)	On going
	Toluca, Mexico	Fl / Fr	✓	✓	✓		✓	✓

Fl: Flavors - Fr: Fragrances - I: Ingredients

1. DRT.

2. ACTION PIN.

ZONE	SITE	PRODUCTS	QUALITY ISO 9001	ENVIRONMENT ISO 14001	OCCUPATIONAL HEALTH & SAFETY ISO 45001	ENERGY MANAGEMENT ISO 50001	FOOD SAFETY STANDARDS FSSC 22000	SMETA 6.1 4 PILLARS AUDIT
NORTH AMERICA	Anaheim, California	Fl	✓	✓	✓		✓	✓
	Van Nuys, California	Fr						✓
	Lakeland, Florida	Fl	✓	✓	✓		✓	✓
	Rincon, Georgia	I						✓
	Pinova, Georgia	I	✓					✓
	St. Louis, Missouri	Fl	✓	✓	✓		✓	✓
	New Ulm, Minnesota	Fl		✓	✓		✓	✓
	Newark, New Jersey	I	✓	✓	✓			✓
	Plainsboro, New Jersey	Fl / Fr	✓	✓	✓		✓	✓
	Somerset, New Jersey	Fr						✓
ASIA PACIFIC	Chehalis, Washington	Fl					✓	On going
	Shanghai, China	Fl / Fr	✓	✓	✓		✓	✓
	Zhangjiagang, China	Fl	✓	✓	✓		✓	✓
	Kunming, China	I	✓	✓	✓			✓
	Daman, India	Fl / Fr	✓	✓	✓		✓	✓
	Dahej, India	Fr / I	✓	✓	✓			✓
	Navi Mumbai, India	Fl					✓	
	Kuthiathode, India	Fl					(BRC)	
	Allepey, India	Fl					(BRC)	
	Cileungsing, Indonesia	Fl	✓	✓	✓		✓	✓

# GRI content index

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GRI 102-55

## General standard disclosures

Important elements of Firmenich's sustainability reporting are following the **GRI 102: General Standard Disclosures**. The material topics, Responsible governance; Corporate transparency and ESG reporting as well as Collective action & partnerships are part of how Firmenich is doing business and are integrated into the GRI 102.

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
GRI 102: GENERAL STANDARD DISCLOSURES			
102-1	Name of the organization	Page 4	
102-2	Activities, brands, products, and services	Page 4	
102-3	Location of headquarters	Page 4	
102-4	Location of operations	Page 4	
102-5	Ownership and legal form	Page 4	
102-6	Markets served	Page 4	
102-7	Scale of the organization	Page 4	
102-8	Information on employees and other workers	Pages 4, Performance tables pages 133 to 138	
102-9	Supply chain	Pages 4, 5-6	 BUSINESS ETHICS
102-10	Significant changes to the organization and its supply chain	Pages 4, 6	
102-11	Precautionary Principle or approach	Pages 11, 126	
102-12	External initiatives	Pages 23-25, 27	
102-13	Membership of associations	Pages 23-25	
102-14	Statement from senior decision-maker	Pages 5-6	
102-15	Key impacts, risks, and opportunities	Pages 116-117	
102-16	Values, principles, standards, and norms of behavior	Pages 118	

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
GRI 102: GENERAL STANDARD DISCLOSURES			
102-17	Mechanisms for advice and concerns about ethics	Page 118	
102-18	Governance structure	Page 111	
102-19	Delegating authority	Pages 111, 114	
102-20	Executive-level responsibility for economic, environmental, and social topics	Pages 19, 114	
102-22	Composition of the highest governance body and its committees	Pages 112-113	
102-23	Chair of the highest governance body	Pages 112, 114	
102-24	Nominating and selecting the highest governance body	Page 112	
102-25	Conflicts of interest	Pages 112, 114	
102-26	Role of highest governance body in setting purpose, values, and strategy	Pages 111-112	
102-28	Evaluating the highest governance body's performance	Page 112	
102-30	Effectiveness of risk management processes	Page 115	
102-31	Review of economic, environmental, and social topics	Pages 19, 113	
102-32	Highest governance body's role in sustainability reporting	Pages 19, 113	
102-33	Communicating critical concerns	Page 114	
102-40	List of stakeholder groups	Page 20	
102-41	Collective bargaining agreements	Pages 86, 133	
102-42	Identifying and selecting stakeholders	Page 20	
102-43	Approach to stakeholder engagement	Page 20	
102-44	Key topics and concerns raised	Pages 20-21	



GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
GRI 102: GENERAL STANDARD DISCLOSURES			
102-45	Entities included in the consolidated financial statements	Page 4	
102-46	Defining report content and topic boundaries	Page 11	
102-47	List of material topics	Page 22	
102-48	Restatements of information	Pages 4, 11	
102-49	Changes in reporting	Page 11	
102-50	Reporting period	Page 11	
102-51	Date of most recent report	Page 11	
102-52	Reporting cycle	Page 11	
102-53	Contact point for questions regarding the report	Pages 159	
102-54	Claims of reporting in accordance with the GRI Standards	Page 11	
102-55	GRI content index	Pages 145 to 154	
102-56	External assurance	Page 155	



# Acting on Climate Change

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
MATERIAL TOPIC:		CLIMATE CHANGE ADAPTATION - DIRECT CONTRIBUTION TO CLIMATE CHANGE - INDIRECT CONTRIBUTION TO CLIMATE CHANGE (SCOPE 3)	
103-1	Explanation of the material topic and its boundary	Pages 33	
103-2	The management approach and its components	Pages 33, 37	
103-3	Evaluation of the management approach	Pages 34, 37	
302-1	Energy consumption within the organization	Pages 41-42, Performance table page 128	
302-2	Energy consumption outside of the organization	Page 42	
302-3	Energy intensity	Pages 34, 39, 41	 RESPONSIBLE SOURCING
302-4	Reduction of energy consumption	Pages 34, 41, Performance table page 128	
302-5	Reduction in energy requirements of products and services	Page 34	
305-1	Direct (Scope 1) GHG emissions	Page 37, Performance table page 127	
305-2	Energy indirect (Scope 2) GHG emissions	Page 37, Performance table page 127	 DIGITAL ACCELERATION
305-3	Other indirect (Scope 3) GHG emissions	Page 39, Performance table page 127	
305-4	GHG emissions intensity	Page 37, Performance table page 128	
305-5	Reduction of GHG emissions	Page 37	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Performance table page 128	
MATERIAL TOPIC:		WATER MANAGEMENT	
103-1	Explanation of the material topic and its boundary	Page 44	 RESPONSIBLE SOURCING
103-2	The management approach and its components	Page 44	
103-3	Evaluation of the management approach	Pages 34, 44	
303-1	Interactions with water as a shared resource	Pages 44-45	
303-2	Management of water discharge-related impacts	Pages 44, 47	
303-3	Water withdrawal	Page 46, Performance table page 129	 DIGITAL ACCELERATION
303-4	Water discharge	Page 47, Performance table page 129	
303-5	Water consumption	Page 46	

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
MATERIAL TOPIC:		WASTE & PLASTIC MANAGEMENT - RENEWABLE RAW MATERIALS	
103-1	Explanation of the material topic and its boundary	Page 48	
103-2	The management approach and its components	Page 48	
103-3	Evaluation of the management approach	Pages 35, 48	
306-1	Waste generation and significant waste-related impacts	Pages 48-49	
306-2	Management of significant waste-related impacts	Pages 48-49	
306-3	Waste generated	Performance table page 130	 RESPONSIBLE SOURCING
306-4	Waste diverted from disposal	Pages 48-49, Performance table page 130	 DIGITAL ACCELERATION
306-5	Waste directed to disposal	Pages 48, Performance table page 130	

# Embracing Nature

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
MATERIAL TOPIC:		BIODIVERSITY AND REGENERATIVE AGRICULTURE	
103-1	Explanation of the material topic and its boundary	Page 57	 IMPACTFUL SCIENCE
103-2	The management approach and its components	Pages 57, 62	 RESPONSIBLE SOURCING
103-3	Evaluation of the management approach	Pages 58-59, 60	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 62-63	
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 60, 62, 71	
304-3	Habitats protected or restored	Pages 60, 62, 66-69	
MATERIAL TOPIC:		INGREDIENTS' TRACEABILITY - INGREDIENTS CERTIFICATION	
103-1	Explanation of the material topic and its boundary	Pages 66-67	 IMPACTFUL SCIENCE
103-2	The management approach and its components	Pages 66-67	 RESPONSIBLE SOURCING
103-3	Evaluation of the management approach	Pages 58-59, 60	
308-1	New suppliers that were screened using environmental criteria	Page 67	
308-2	Negative environmental impacts in the supply chain and actions taken	Page 66	 DIGITAL ACCELERATION
MATERIAL TOPIC:		ECO-INNOVATION	
103-1	Explanation of the material topic and its boundary	Page 71	 IMPACTFUL SCIENCE
103-2	The management approach and its components	Pages 71-73	 RESPONSIBLE SOURCING
103-3	Evaluation of the management approach	Pages 58-59	 DIGITAL ACCELERATION

# Caring about People

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
<b>MATERIAL TOPIC:</b>		<b>TALENTS' MANAGEMENT AND NEW WAYS OF WORKING</b>	
103-1	Explanation of the material topic and its boundary	Page 79	
103-2	The management approach and its components	Page 79	
103-3	Evaluation of the management approach	Page 79	
401-1	New employee hires and employee turnover	Performance tables pages 134-137	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 80	
404-1	Average hours of training per year per employee	Page 80	
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 82, 85	
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 80	
<b>MATERIAL TOPIC:</b>		<b>EMPLOYEES' HEALTH &amp; SAFETY - EMPLOYEES' WELL-BEING AT WORK</b>	
103-1	Explanation of the material topic and its boundary	Page 91	
103-2	The management approach and its components	Page 91	
103-3	Evaluation of the management approach	Pages 77, 79, 90-91	
401-3	Parental leave	Pages 84, Performance table page 138	
403-1	Occupational health and safety management system	Page 91	
403-2	Hazard identification, risk assessment, and incident investigation	Page 92	
403-3	Occupational health services	Pages 93, 96	
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 92-93	
403-5	Worker training on occupational health and safety	Page 93	
403-6	Promotion of worker health	Pages 93, 89	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 92, 95, 97	
403-8	Workers covered by an occupational health and safety management system	Page 91	
403-9	Work-related injuries	Page 90	
403-10	Work-related ill health	Page 90	



IMPACTFUL  
SCIENCE



IMPACTFUL  
SCIENCE



BUSINESS  
ETHICS

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
<b>MATERIAL TOPIC:</b>		<b>DIVERSITY &amp; EQUAL OPPORTUNITIES</b>	
103-1	Explanation of the material topic and its boundary	Pages 81, 84	 IMPACTFUL SCIENCE
103-2	The management approach and its components	Pages 81, 84	 BUSINESS ETHICS
103-3	Evaluation of the management approach	Pages 78, 81	
405-1	Diversity of governance bodies and employees	Page 81, Performance tables pages 133, 135	
<b>MATERIAL TOPIC:</b>		<b>RESPECT OF HUMAN RIGHTS &amp; LIVING WAGE</b>	
103-1	Explanation of the material topic and its boundary	Page 95	 RESPONSIBLE SOURCING
103-2	The management approach and its components	Page 95	 BUSINESS ETHICS
103-3	Evaluation of the management approach	Pages 77, 95	
412-1	Operations that have been subject to human rights reviews or impact assessments	Page 95	
412-2	Employee training on human rights policies or procedures	Page 95	
<b>MATERIAL TOPIC:</b>		<b>PRODUCTS' QUALITY &amp; SAFETY - PRODUCTS CONTRIBUTION TO HEALTHY FOOD</b>	
103-1	Explanation of the material topic and its boundary	Pages 105, 119	 IMPACTFUL SCIENCE
103-2	The management approach and its components	Pages 105, 119	 BUSINESS ETHICS
103-3	Evaluation of the management approach	Pages 78, 105, 110, 119	
413-1	Operations with local community engagement, impact assessments, and development programs	Page 106	
416-1	Assessment of the health and safety impacts of product and service categories (%)	Page 120	

# Business for Good

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
MATERIAL TOPIC:		INCLUSIVE BUSINESS MODELS	
103-1	Explanation of the material topic and its boundary	Page 4	
103-2	The management approach and its components	Pages 4, 14	
103-3	Evaluation of the management approach	Page 4	 BUSINESS ETHICS
201-1	Direct economic value generated and distributed	Page 4	
201-2	Financial implications and other risks and opportunities due to climate change	Pages 14, 21-22, 116	
MATERIAL TOPIC:		BUSINESS ETHICS & COMPLIANCE	 BUSINESS ETHICS
103-1	Explanation of the material topic and its boundary	Page 118	
103-2	The management approach and its components	Page 118	
103-3	Evaluation of the management approach	Page 118	
102-16	Values, principles, standards, and norms of behavior	Page 118	
102-17	Mechanisms for advice and concerns about ethics	Page 118	
205-2	Communication and training about anti-corruption policies and procedures	Page 118	
205-3	Confirmed incidents of corruption and actions taken	Page 118	
MATERIAL TOPIC:		RESPONSIBLE PROCUREMENT	
103-1	Explanation of the material topic and its boundary	Page 97	 RESPONSIBLE SOURCING
103-2	The management approach and its components	Page 97	
103-3	Evaluation of the management approach	Page 97	
414-1	New suppliers that were screened using social criteria	Page 97	
414-2	Negative social impacts in the supply chain and actions taken	Page 97	 DIGITAL ACCELERATION

GRI NUMBER	GRI DEFINITION	CHAPTER AND PAGE NUMBER	BUSINESS DRIVER
MATERIAL TOPIC:		ANIMAL TESTING AND WELFARE	
103-1	Explanation of the material topic and its boundary	Page 120	
103-2	The management approach and its components	Page 120	
103-3	Evaluation of the management approach	Page 120	 BUSINESS ETHICS
416-1	Assessment of the health and safety impacts of product and service categories (%)	Page 120	
MATERIAL TOPIC:		PRODUCTS' IMPACT TRANSPARENCY	
103-1	Explanation of the material topic and its boundary	Page 119	
103-2	The management approach and its components	Page 119	 RESPONSIBLE SOURCING
103-3	Evaluation of the management approach	Page 119	 BUSINESS ETHICS

# Independent assurance statement

GRI 102-56



## ASSURANCE STATEMENT

### SGS SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE SA REPORT ON SUSTAINABILITY ACTIVITIES IN THE FIRMENICH ESG REPORT 2022

#### 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 2022. 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.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Firmenich's Stakeholders.

#### RESPONSIBILITIES

The information in the Firmenich ESG Report 2022 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 2022.

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.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance 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.

Assurance has been conducted at a **reasonable** level of scrutiny, 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 June 2022, 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, validation, and reporting processes used to produce reported data.
- Review of documentation and records to check statements back to source.

Interviews were carried out remotely with interviewees located in different locations around the world.

#### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of the assurance process. The assurance scope also excludes forward-looking statements. Data has been assured at corporate level; base data utilized in the calculation of the consolidated figures have not been assured.

#### 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 service 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 that the information and data contained within Firmenich ESG Report 2022 is accurate, reliable and provides a fair and balanced representation of Firmenich sustainability activities in financial year ending 2022, 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 2022 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 2022, 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:

- Future reporting should use the GRI standards 2021 which will be in effect for reporting from 1 January 2023; these new versions are aligned to different international instruments Firmenich has adhered to (ex. UN Guiding Principles on Business and Human Rights)

Signed for and on behalf of SGS Société Générale de Surveillance SA - Geneva, July 2022

Daniel WILLEMIN  
SGS Société Générale de Surveillance SA  
Knowledge

[WWW.SGS.COM](http://WWW.SGS.COM)

# Glossary

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**ABS:** Access And Benefit Sharing

**ACT:** Assessing Low-Cardon Transition

**ADEME:** French Agency for Ecological Transition

**AFSA:** Animal-Free Safety Assessment Collaboration

**AGM:** Annual General Meeting

**AI:** Artificial Intelligence

**BCG:** Boston Consulting Group

**CBD:** Convention of Biological Diversity

**CDP:** Carbon Disclosure Project

**CEO:** Chief Executive Officer

**CFS:** UN Committee on World Food Security

**CHF:** Swiss Franc

**CHRO:** Chief Human Resources Officer

**CO<sub>2</sub>:** Carbon Dioxide

**CO<sub>2</sub>e:** 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

**CSR:** Corporate Social Responsibility

**CST:** Crude sulfate turpentine

**CTO:** Crude Tall Oil

**EAWAG:** Swiss Federal Institute Of Aquatic Science And Technology

**EBITDA:** Earnings before interest, taxes, depreciation, and amortization

**ECETOC:** European Center For Ecotoxicology And Toxicology Of Chemicals

**EcoTools (EcoScent Compass™ & EcoFood Compass™):** Proprietary tools to help assess where impacts and dependencies lie, set targets to reach our ambitions and measure our change in impact including in our products

**EDGE:** Economic Dividends for Gender Equality

**EFFA:** European Flavor Association

**EG/IG:** External Groups (shipment to customers) / Internal Groups (internal shipments one Firmenich site to another)

**EIG:** Environmental Interest Group

**EMS:** Environmental Management System

**EPFL:** Ecole Polytechnique Fédérale de Lausanne

**ERM:** Enterprise Risk Management

**ESG:** Environmental, Social and Governance

**EU:** European Union

**EUR:** Euro

**FARC:** Finance Audit and Risk Committee

**FEMA:** Flavor and Extract Manufacturers Association

**FSC:** Forest Stewardship Council

**FSSC:** Food Safety System Certification

**GAIN:** Global Alliance for Improved Nutrition

**GAN:** Global Apprenticeship Network

**GCC:** Governance and Compensation Committee

**GEC:** Global Ethics Committee

**GFSI:** Global Food Safety Initiative

**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.

**GJ:** Gigajoule

**GRI:** Global Reporting Initiative

**GWP:** Global warming potential is a measure of how much energy the emissions of 1 tonne of a gas will absorb over a given period of time, relative to the emissions of 1 tonne of carbon dioxide

**HR:** Human Resources

**H&S:** Health And Safety

**HSE:** Health, Safety And Environment

**HSI:** Humane Society International

**IDH:** he Sustainable Trade Initiative

**IEA:** International Energy Agency

**IFRA:** International Fragrance Association

**ILMAC:** Platform For Chemistry, Pharmacy And Biotechnology

**ILO:** International Labour Organization

**IMS:** Institute For Molecular Biology And Applied Ecology

**INCLUSIVE BUSINESS MODEL (INCLUSIVE CAPITALISM):** 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

**IRCC:** Internationally Recognized Certificate of Conformity

**ISO:** International Organization For Standardization

**IUCN:** International Union for the Conservation of Nature

**IWBIM:** International WELL Building Institute™

**IWEI:** India Workplace Equality Index

**KWH:** Kilowatt Hour

**L3F:** Livelihoods Fund For Family Farming

**LCA:** Life cycle analysis/assessment**LEED:** Leadership in Energy and Environmental Design**LGBTQIA+:** lesbian, gay, bisexual, transgender, intersex, asexual**LPG:** Liquefied Petroleum Gas**LTC:** Lost-Time Case**LTIR:** Long-term injury reserve**M&A:** Mergers and acquisitions**ModulaSENSE®:** Taste optimization flavors solutions**MW:** Megawatt**MWH:** Megawatt Hour**NGOS:** Non-Governmental Organizations**OECD:** Organization for Economic Co-Operation and Development**OHSAS:** Occupational Health and Safety Assessment Series**OP2B:** One Planet Business For Biodiversity**Path2Farm™:** Proprietary digital traceability application for natural ingredients sourcing, from producer to factory**PDF:** Potentially Disappeared Fraction of Species**PEFC:** Programme for the Endorsement of Forest Certification**PSE:** Process Safety**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**RSPO:** Roundtable for Sustainable Palm Oil**RTS:** Radio Television Suisse**SASB:** Sustainability Accounting Standards Board**SBT:** Science-based targets provide a defined pathway for companies to reduce 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 Initiative**SBTN:** Science Based Targets for Nature**SDG:** UN Sustainable Development Goals**SEDEX:** Supplier Ethical Data Exchange**SEP:** Supplier Excellence Program**SGS:** Societe Generale De Surveillance**SmartProteins®:** Innovation program ensuring the success of meat and dairy analog products through integrated solutions in aroma, taste, texture & nutrition**SMETA:** Sedex Members Ethical Trade Audit**SPM:** solid phase micro-extraction**SR15:** Special Report On Global Warming Of 1.5°**SVI:** Sustainable Vanilla Initiative**TasteGEM®:** High performance flavor solutions (up to 30% sugar reduction)**TastePRINT®:** Sweetening solutions (up to 100% sugar reduction)**TBC:** Toilet Board Coalition**TRC:** Total Recordable Case Rate**UEBT:** Union For Ethical BioTrade**UN:** United Nations**UN CBD:** UN Convention on Biological Diversity**UNCTAD:** UN Conference on Trade and Development**UNFCCC:** UN Framework Convention on Climate Change**UNGC:** UN Global Compact**UNICEF:** UN International Children's Emergency Fund**VOCs:** Volatile organic compounds**UNCTAD:** United Nations Conference on Trade and Development**USD:** U.S. Dollar**WBCSD:** World Business Council For Sustainable Development**WEF:** World Economic Forum**WRI:** World Resources Institute**WWF:** World Wide Fund For Nature

# Our Fundamentals

## CUSTOMERS



**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.

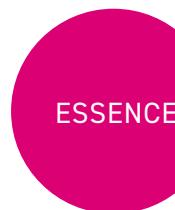
## PEOPLE



**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



**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.

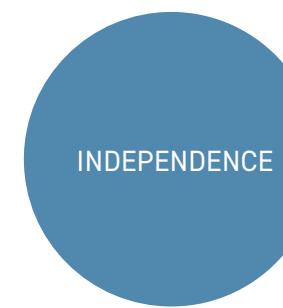
## SUSTAINABILITY



**OUR INTEGRITY AND SENSE OF INDIVIDUAL AND COLLECTIVE RESPONSIBILITY ENSURE OUR LONG-TERM SUCCESS.**

- We practice a sustainable business model for the well-being 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.

## LEGACY



**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.



**Firmenich website:** For more information, please visit [Firmenich.com](http://Firmenich.com)

Contact us by email at: [global.sustainability@firmenich.com](mailto:global.sustainability@firmenich.com)