
PALM OIL AT FIRMENICH

SCOPE & INTENT



Each year Firmenich purchases and transforms over 1,000 natural products from 170 botanical families from suppliers in over 50 countries. “Many of our ingredients come from small holder farmers. Ultimately, our products connect consumers with communities around the world. That’s why we are committed to sourcing and making these connections in the most sustainable, traceable and ethical way,” says Gilbert Ghostine, Chief Executive Officer.

Firmenich is not only committed to the sustainable management of raw materials, but also to raising awareness and fostering innovation to conserve natural resources and biodiversity.

In 2011, we issued a Palm Oil Sustainability Statement to consolidate our commitment to the sustainable sourcing and protection of local communities for this sensitive and widely used raw material that may lead, in some areas, to ecosystem destruction (including deforestation and forest degradation) and human rights violations.

Beyond regulatory compliance, in alignment with our integration of the United Nations Sustainable Development Goals (SDGs), Firmenich pledged to only use palm oil and palm kernel oil derived from sustainable sources in our products; and to only source RSPO (Roundtable on Sustainable Palm Oil) certified direct palm oil for all active and new products, and for palm oil derivatives.

Firmenich believes that sustainable sourcing offers the best solution for the environmental and human rights challenges faced by the industry when compared to the replacement of those materials by other kinds of vegetable or mineral oils (“Palm-Free” products).

This position paper confirms that our commitment to sustainable management of palm oil applies to all parts of our business: Flavors, Fragrances and Ingredients, and covers more than 1,000 direct raw material suppliers. Through direct engagement with our suppliers, each direct raw material supplier is pushed to manage deforestation and sustainable sourcing within its own supply chain.

PRINCIPLES & ACTION PLAN



As a global company, Firmenich is not only committed to the sustainable sourcing of our products. Looking at Palm Oil more specifically, we also strive to promote the High Conservation Value (HCV) management or avoidance of land area under conservation, High Carbon Stock (HCS) management, Free, Prior and Informed Consent (FPIC), and ultimately reaching zero gross deforestation and forest degradation.

We have strict Procurement policies that follow our Code of Ethics and Business Conduct and Social Accountability Standards. We also have a Global Trade Compliance platform to ensure compliance with sanctions, restrictions and trade controls, verify the accuracy of trade documentation, continue payment of correct duties and taxes on movement of goods and improve the flow of raw materials and finished products around the world.

We require our suppliers supplying us with Palm Oil derivatives and derived molecules to:

- Adhere to our Suppliers Code of Conduct and Social Accountability Standards, which include Human Rights requirements
- Share with us their commitments towards Sustainable Palm Oil
- Report on the compliance of their supply chains regarding:
 - Protection of peat areas, regardless of the depth
 - Compliance with local laws and regulations
 - Protection of high-carbon-value area and to avoid deforestation
 - Respect of Human Rights and Free, Prior and Informed Consent (FPIC) of local and indigenous communities

TARGETS & REPORTING



Our Commitments for 2020 are to:

- Certify our key manufacturing sites in line with the RSPO Supply Chain certification
- Promote the sustainability and traceability in the Palm Oil supply chains with our stakeholders
- Strive to bring our suppliers to go beyond RSPO
- Source 100% of RSPO certified palm and palm kernel oil derivatives

This Position Paper encompasses palm oil received from suppliers which are used in all Firmenich operations.

This Position Paper has been reviewed and approved by the following Firmenich representatives on July 5, 2018. Firmenich will report against this Position Paper commitments on an annual basis, every fourth quarter starting in September 2018.

Jane Sinclair
General Counsel and
Secretary to the Board



Bhavesh Shah
Chief Purchasing Officer

