FIRMPNEICH
PATHWAYS
TO
POSITIVE

ESG
AMBITIONS
2030

FEBRUARY 2021
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We started our sustainability journey in 1991 with the signature of the International Chamber of commerce first sustainability charter. Our future still depends on our ability to innovate responsibly while building on our timeless values and our legacy of sustainability leadership.

Our Sustainability framework is holistically embedded at the heart of our company strategy.

We see the next 10 years as a transformation journey towards business for good powered by science. The global challenges of the next decade are such that Firmenich cannot succeed alone. This strategy will meet its goals only if we can engage our clients and our suppliers in the journey. In order to scale up our impacts we will continue to be an active partner in strategic coalitions such as One Planet Business for Biodiversity, the Science Based Targets Initiative, The United Nations Global Compact, the Swiss Food and Nutrition Valley and others.
FIRMENICH
ESG AMBITIONS

CARBON NEUTRALITY IN OUR DIRECT OPERATIONS BY 2025
CARBON POSITIVE IN OUR DIRECT OPERATIONS BY 2030

As a leading responsible family company, driving an inclusive business model has always been our priority. We set ourselves pioneering 2025 and 2030 ambitions to create value for our stakeholders today and for the generations to come.

We commit to:

- **OPERATE** globally with the highest standards of governance, ethics and transparency
- **DELIVER** 100% of our products with a measurable improved social and environmental impact
- **PROTECT** the environment, biodiversity and people through impactful science and innovation

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<tr>
<th>AMBITION</th>
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<td>#1 IN RENEWABLE INGREDIENTS</td>
<td>#1 IN CONSCIOUS PERFUMERY</td>
<td>#1 IN DIET TRANSFORMATION</td>
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<td>Acting on CLIMATE CHANGE</td>
<td>Embracing NATURE</td>
<td>Caring about PEOPLE</td>
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<tr>
<td>- Carbon Positive in our Operations</td>
<td>- Committed to regenerative agriculture</td>
<td>- Protect Human Rights</td>
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<tr>
<td>- Water Neutral in water stressed areas</td>
<td>- 70% Renewable Ingredients</td>
<td>- No Gender Pay Gap</td>
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<tr>
<td>- Zero Waste To Landfill</td>
<td>- 90% Certified Terpenes &amp; Resins</td>
<td>- No Ethnic Pay Gap</td>
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<tr>
<td>- 100% Renewable Electricity</td>
<td>- 99% Ultimately or Partially Biodegradable Ingredients in our Fragrance Portfolio</td>
<td>- 100% Living Wage</td>
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<tr>
<td>- 100% Plastic Recycled</td>
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<td>- Certified ingredients</td>
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<tr>
<td>- 100% Renewable Fragrances (ISO 16128*)</td>
<td></td>
<td>- Safety: Total Recordable Case (TRC) rate below 0.20</td>
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* ISO 16128 provides guidelines on definitions for natural and organic cosmetic ingredients.
OUR APPROACH

- We benchmarked against the most responsible companies
- We built on our 2020 materiality matrix
- We analyzed our SDG Action Manager’s assessment
- We used science-based targets where available
- We involved 50 colleagues across the Firmenich group
- We built on our decades of sustainability legacy
- We projected ourselves in the future of inclusive business
- We convened external stakeholders as critical friends
We are acting to minimize our impact and are leading our industry towards a carbon neutral future. Firmenich is a founding member of Business Ambition for 1.5°C, a coalition of over 320 companies committed to net zero by 2050. We have set emissions reductions to keep warming to below 1.5°C, in line with the Paris Agreement’s goals. We commit to continue driving our vision of a zero impact future and will reach carbon neutrality in our direct operations by 2025.

The United Nations says the decade from 2011 to 2020 was the warmest on record. Now is clearly the time for bold and swift environmental action. In addition, by 2030 we will minimize our impact and reach water neutrality in our operations in water stressed areas. We will also minimize our impact and reach zero waste to landfill at our sites. Finally, we will reduce our plastic footprint and develop a path towards 100% of our plastic waste recycled.
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<th>INGREDIENTS</th>
<th>PERFUMERY</th>
<th>TASTE &amp; BEYOND</th>
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<tr>
<td>70% OF FIRMENICH INGREDIENTS MANUFACTURED FROM RENEWABLE CARBON</td>
<td>100% OF OUR FRAGRANCES WILL BE RENEWABLE (ISO 16128*) MADE OF 70% RENEWABLE (ISO 16128*) OR UPCYCLED CARBON CONTENT (FRAGRANCE PORTFOLIO AVERAGE) -25% CARBON IMPACT OF OUR PERFUMERY BUSINESS (VS 2020 BASELINE)</td>
<td>OUR SMARTPROTEINS™ WILL HELP SAVE 285 BILLION LITERS OF WATER / YEAR (230% REDUCTION VS 2020) OUR SMARTPROTEINS™ WILL HELP REDUCE 4.5 MILLION TONS CO2 EMISSION / YEAR (230% REDUCTION VS 2020)</td>
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*COS 16128 PROVIDES GUIDELINES ON DEFINITIONS FOR NATURAL AND ORGANIC COSMETIC INGREDIENTS*
# Acting on Climate Change

## 2025 Targets

### Corporate

- **100% of our sites powered by 100% renewable electricity**
- **15% improvement in energy efficiency** vs 2020
- **100% of our sites including new ones to zero waste to landfill and certify major ones**
- **50% reduction in CO2 emissions** (Scope 1 and 2 versus 2017)
- **Reduce by 10% emissions rate** from IG/EG outbound transportation vs 2020

### Carbon Neutral

- *In our direct operations*

### Ingredients

- **75% of our suppliers who respond to COP water have set reduction targets**
- **Suppliers representing 80% of our raw materials spend answer COP climate change and set improvement plan**
- **100% of our offices paper and pallets from certified source of recycled material**
- **Single use plastics banned in our cafeterias, meetings rooms and reception areas**
- **100% air business travel emissions and employees commuting offset**

### Perfumery

- **Made of 33% renewable (ISO16128*) or upcycled carbon content (fragrance portfolio average)**
- **ANALYZE 100% of flavors and fragrance products for environmental impact**

### Taste & Beyond

- **Our SMARTPROTEINS™ will help reduce 3.3 million tons of CO2 emission**
- **Save 215 billion liters of water / year** (170% reduction vs 2020)

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*ISO 16128 provides guidelines on definitions for natural and organic cosmetic ingredients*
By leveraging our science and our purchasing power towards more regenerative products we can contribute to reversing nature loss with a view to becoming nature positive in the longer term. By inviting our naturals’ suppliers to consider regenerative agriculture and in collaboration with our clients we are taking an end-to-end approach to biodiversity protection. We consider nature to be a fragile luxury to use with care.

We commit to continue being compliant with the Nagoya protocol and to request the necessary permits when relevant. We will achieve group validation against the UEBT standard, which ensures proper risk management systems across our natural sourcing portfolio. In addition, we want to achieve certifications for targeted naturals. We commit to contribute to the definition of science-based targets for nature. We will continue to influence our ecosystem of clients, suppliers and partners to accelerate nature positive decisions globally.
**2030 AMBITIONS**

**EMBRACING NATURE**

**CORPORATE**

- **100%**
  - Of our Nature Program reporting against Science-based targets for Nature

- Advocate for Nature-based solutions in partnership with our clients and suppliers at global policy forums

- Lead the green chemistry transformation

**ACTIVATION**

- High vitality of our R&D project pipeline dedicated to decreasing pressure on threatened natural resources through biotech and upcycling processes among others

**INGREDIENTS**

- **10** farming partnerships taking action on regenerative agriculture

- **90%** of terpenes & resins raw material supply certified PEFC/FSC

- **99%**
  - Ultimately or partially biodegradable ingredients in our fragrance portfolio

**PERFUMERY**

- Lead the global diet transformation through green proteins contributing to soil health regeneration

**TASTE & BEYOND**

- Taste & beyond creation palette measured by **ECOFOOD COMPASS™**

**HIGH VITALITY**

- Of our R&D project pipeline dedicated to decreasing pressure on threatened natural resources through biotech and upcycling processes among others

**CORPORATE ACTIVATION**

**TASTE & BEYOND**

**INGREDIENTS**

- **10** farming partnerships taking action on regenerative agriculture

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**PERFUMERY**

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**TASTE & BEYOND**

- Taste & beyond creation palette measured by **ECOFOOD COMPASS™**
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<tr>
<td><strong>100%</strong> UEBT VALIDATION OF OUR INTEGRATED BIODIVERSITY STRATEGY</td>
<td><strong>100%</strong> COMPLIANCE WITH THE NAGOYA PROTOCOL ON ACCESS AND BENEFIT SHARING</td>
<td><strong>CONTRIBUTE RESOURCES TO THE ONE PLANET BUSINESS FOR BIODIVERSITY INITIATIVE</strong></td>
<td><strong>HIGH VITALITY OF OUR R&amp;D PROJECT PIPELINE DEDICATED TO DECREASING PRESSURE ON THREATENED NATURAL RESOURCES THROUGH BIOTECH AND UPCYCLING PROCESSES AMONG OTHERS</strong></td>
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<td><strong>ZERO</strong> FIRMENICH SITES IDENTIFIED ON SEDEX BIODIVERSITY RADAR RISK FOR PROTECTED AND KEY BIODIVERSITY AREA</td>
<td><strong>10 NEW SOURCING PARTNERSHIPS INCLUDING A FOCUS ON FARMING PRACTICES, BIODIVERSITY CONSERVATION AND WATER MANAGEMENT</strong></td>
<td><strong>≥ 95% ULTIMATELY OR PARTIALLY BIODEGRADABLE INGREDIENTS IN OUR FRAGRANCE PORTFOLIO</strong></td>
<td><strong>CONTRIBUTE TO THE GLOBAL DIET TRANSFORMATION WITH OUR GREEN PROTEINS ACCELERATING REGENERATIVE AGRICULTURE</strong></td>
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**2025 TARGETS**

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As a family company, we want to transfer our heritage to the next generations by helping them acquire important job skills and adapt to a fast-changing world. We enable social cohesion globally by securing future employability of a diverse workforce driven by a strong sense of belonging. We take action to foster people’s well-being including mental health. Through our colleagues’ engagement and voluntary actions globally we help reduce inequalities in the communities where we operate.

We will reinforce our actions to respect and protect human rights by creating awareness and developing human rights trainings across the Firmenich group including with our suppliers. We will embed human rights throughout our procurement strategy. We will continue collecting human rights performance data from our suppliers with Ecovadis and SEDEX. In high-risk regions we will conduct UEBT audits at source.
Caring about People

50% of Leadership Team Roles Are Diverse
- No Gender Pay Gap
- No Ethnic Pay Gap
- No Engagement Gap

10% of Differently-Abled People in Our Workforce

Create 5,000 Job Opportunities for Youth

Invest in 500,000 Hours of Training Globally

25,000 Hours of Volunteering Per Year

400 Community Projects Funded by Our Foundation

Sustain and Further Improve Our Industry-Leading Safety Performance
- By maintaining a total recordable case (TRC) rate below 0.20

Corporate

Zero Human Rights Non Compliance in Our Operations

Maintain Our Edge Certification

Scale up Our Suppliers’ Engagement on Living Wage

Maintain 100% Compliance with IFRA Standards

Embrace Transparency with Disclosure of Ingredients Down to 900/100PPM

Taste & Beyond

Reduce Calories from Sugar in People’s Diet up to 2.8 Billion Calories (240% Reduction vs 2020)

Train Major Suppliers on Human Rights and Responsible Sourcing

Maintain 100% Compliance with IFRA Standards

Embrace Transparency with Disclosure of Ingredients Down to 900/100PPM

2030 Ambitions

Corporate

Perfumery

Taste & Beyond

Caring about People

Create 5,000 job opportunities for youth

Invest in 500,000 hours of training globally

25,000 hours of volunteering per year

400 community projects funded by our foundation

Sustain and further improve our industry-leading safety performance
- By maintaining a total recordable case (TRC) rate below 0.20

Corporate

Zero human rights non compliance in our operations

Maintain our edge certification

Scale up our suppliers’ engagement on living wage

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Embrace transparency with disclosure of ingredients down to 900/100PPM

Taste & Beyond

Reduce calories from sugar in people’s diet up to 2.8 billion calories (240% reduction vs 2020)

Train major suppliers on human rights and responsible sourcing

Maintain 100% compliance with IFRA standards

Embrace transparency with disclosure of ingredients down to 900/100PPM

Caring about people
NO GENDER PAY GAP
NO ETHNIC PAY GAP
NO Engagement GAP
5% OF DIFFERENTLY-ABlED PEOPLE IN OUR WORKFORCE

100% OF EMPLOYEES TRAINED ON BIAS AND BELONGING PRINCIPLES

100% OF EMPLOYEES EARN AT LEAST A LIVING WAGE ACROSS THE FIRMENICH GROUP

100% FIRMENICH MANAGERS TRAINED ON HUMAN RIGHTS

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

100% OF LINE MANAGERS TRAINED AS MENTAL HEALTH FIRST AIDERS

RAISE GLOBAL SCORE OF OUR SUPPLIERS’ ECOCVADIS ‘LABOR & HUMAN RIGHTS’ PILLAR AT 60 POINTS.

LAUNCH A SUPPLIERS’ DIVERSITY PROGRAM

ZERO HUMAN RIGHTS NON COMPLIANCE VERIFIED BY SEDEX AUDITS

TRAIN 100 MAJOR SUPPLIERS ON HUMAN RIGHTS AND RESPONSIBLE SOURCING

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

MAINTAIN 100% COMPLIANCE WITH IFRA STANDARDS

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

REDUCE CALORIES FROM SUGAR IN PEOPLE’S DIET UP TO 2 BILLION CALORIES (170% REDUCTION VS 2020)

CORPORATE

INGREDIENTS

PERFUMERY

TASTE & BEYOND
2

PRODUCT ACTIVATION ACROSS OUR BUSINESS

#1 IN RENEWABLE INGREDIENTS
#1 IN CONSCIOUS PERFUMERY
#1 IN DIET TRANSFORMATION
We deliver remarkable ingredients that are renewable and responsible. For more than 20 years, we made pioneering use of most of the Green Chemistry principles in our day-to-day research and ongoing improvements. Our vision is to become the leaders in Sustainable Fragrance & Flavor Ingredients and renewable specialties including: Biodegradability, Renewability, Natural, Green Chemistry and Biotechnology. By 2030 we commit to deliver 70% of Firmenich Fragrance & Flavor Ingredients manufactured from Renewable Carbon.

In designing our sustainable ingredients and their manufacturing routes, our approach is truly multidisciplinary. We will power Sustainable Ingredient transformation through four innovation platforms and report annually on progress.

We commit to drive science-based impact measurement and transparency with our EcolIngredient Compass™ in order to constantly improve our climate and nature footprint by adapting our production processes. We plan to reinforce our traceability capabilities in collaboration with our procurement and digital innovation teams.
Conscious perfumery brings together the best of nature and science through a responsible and sustainable approach based on innovation and principles of Green Chemistry. Firmenich set out to embed these tenets in a reinvention of fragrance design with the launch of CreateForGood™, informed by and for consumers, in January 2020. CreateForGood™ integrates key notions of naturalness, sustainability, regulatory, transparency and sensoriality into one Eco-design process.

Firmenich’s Perfumery ambition is to create performant and delightful fragrances made of renewable and sustainable ingredients that leave no trace in the environment and have a reduced carbon footprint whilst generating positive emotions, thus contributing to consumers’ healthy sustainable lifestyles.

We commit that by 2030, our fragrance portfolio will comprise 99% of ultimately or partially biodegradable ingredients, as defined by the OECD. 100% of our fragrances will be renewable as defined by ISO 16128. Our fragrances will be made of 70% of renewable (ISO 16128) or upcycled carbon content.

Our commitments are supported by EcoScent Compass™, our integrated science-based impact measurement tool. We commit to assess 100% of our fragrance portfolio in order to provide fact-based transparency and drive constant improvement in our formulations, leveraging digital and Artificial Intelligence to accelerate our progress.
We are experiencing a rapid transformation in diets, with health, nutrition, and naturals driving food business growth around the world.

Our Taste & Beyond priorities around Flexitarian diets, Nutrition, Naturals & Clean label are aligned with our sustainability ambition on Nature, Climate and People. We are answering the current diet transformation through our taste solutions addressing salt reduction & sugar reduction.

In 2011, Firmenich revolutionized the food and beverage industry with the launch of TasteGEM® a breakthrough innovation pioneering a new approach to reducing sugar and making healthier foods and beverages taste great.

We commit to accelerate the growth of healthy solutions globally by removing 700,000 metric tons of sugar from our clients’ products by 2030.

We are contributing to the future of food thanks to our SmartProteins™ solutions impacting climate and nature positively. We commit to accelerate the development of our SmartProteins™ solutions to advance the transformation of plant-based proteins cultivated with regenerative agriculture practices to positively impact nature, improve soil health and revive biodiversity.

We commit to address label transparency and origin traceability in foods and beverages and continue evolving our flavorist palette, adding a robust portfolio of natural ingredients.
OUR FOUR STRATEGIC DRIVERS

1. IMPACTFUL SCIENCE
2. RESPONSIBLE SOURCING
3. BUSINESS ETHICS
4. DIGITAL ACCELERATION
Our powerful R&D programs enable us to develop and bring to market products, ingredients and technologies with an improved impact on the environment and people, while meeting and sometimes anticipating the needs and expectations of the conscious consumers.

We are driving impactful science through sustainable solutions and wellness solutions for safe and healthy bodies, minds and homes. Augmented discovery, manufacturing and creation are enabling the acceleration of impactful science.

We commit to continue embracing and accelerating new technologies and innovations that respect nature and decrease pressure on natural resources.

Our scientists and researchers from around the world are united in their passion for providing concrete solutions, leveraging the best of Green Chemistry and biotechnology enabled by cell biology, materials science, analytical chemistry, cognitive sciences and digital tools.
We are committed to driving a responsible and transparent supply chain everywhere. Our actions are guided by our Responsible Sourcing Policy. We will leverage our purchasing power to impact people and nature positively reinforcing our resilience to climate change.

We will reinforce our suppliers’ monitoring and engagement and in the same time we will scale up our certification efforts. While certifications are important to drive responsible practices, we believe it is critical to also drive transformation and positive change through field-based collaborations at source. We will also build on our digital traceability first experiences and start designing and deploying a full traceability strategy.

We will conduct human rights due diligence and monitoring across our supply chains. We plan to raise our suppliers’ average score of ECOVADIS “Labor & Human Rights” pillar from current 53 to 60 by 2025. In addition, we will continue working on living wage at source on specific supply chains and in collaboration with our clients.
Our customers and end-consumers rely on us to deliver products that are safe and meet or exceed the highest standards of quality. We commit to lead in customer satisfaction. Driving an outstanding performance in product quality and compliance, food safety, and service. From the ingredients we source to the fragrances and flavors we produce, product quality along with product safety is a top priority.

Promoting a culture of ethics and business integrity is imperative. We design our processes to communicate our values, counter corruption, and ultimately promote peaceful and inclusive societies. We must hold ourselves accountable to the highest ethical standards and operate every day with honesty, fairness and integrity. We engage all our colleagues regularly as well as our suppliers on our Code of Ethics and related ethics policies.

A private company with a public governance, Firmenich values its independence and long-term view of the industry. That’s why it operates according to the highest standards of governance worldwide.
In a connected, fast and constantly changing world, most industries are disrupted. To evolve in this new environment, Firmenich is harnessing its agility, creativity and innovation while benefiting from the latest technologies.

We are committed to accelerate the development of digital capabilities from source to consumer. Increased data transparency is critical for all our stakeholders in order to drive a fact-based and science-based sustainability journey, from sourcing traceability to augmented innovation and creation we are leveraging our data to meet the requirements of the conscious consumer.

We are committed to accelerate the digitalization of our lifecycle tools such as the EcoScent Compass™, the EcoIngredient Compass™ and the EcoFood Compass™ in order to deliver fact-based and science-based claims to our clients. We will also accelerate the digitalization of our ESG reporting allowing for more regular updates and reinforced impact measurement data and meeting the requirements of rating agencies, certifications bodies and clients’ request under one platform.
OUR AMBITIONS 2030

PATHWAYS 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

MAINTAIN A SCORE OF 80 ON ECOVADIS ETHICS SECTION

MAINTAIN A STRONG CULTURE OF FOOD PROTECTION WITH:

1. ZERO CUSTOMER FOOD PROTECTION NON-COMPLIANCE

2. ZERO END PRODUCT RECALL DUE TO FIRMENICH PRODUCTS

DIGITAL ACCELERATION

SCALE UP OUR DIGITAL TRACEABILITY PROGRAM

SCALE UP OUR ECOTOOLS ECO SCENT COMPASS™ ECO FOOD COMPASS™ ECO INGREDIENTS COMPASS™

FULL DIGITALIZATION OF ESG DATA REPORTING

AUGMENTED DISCOVERY

CONTINUE OPERATING AGAINST OUR AI FOR GOOD CHARTER
We aim at being certified B Corp by 2025 to independently validate our progress. Our strategy is grounded in the 17 Sustainable Development Goals (SDGs) that we use as our compass towards 2030. We embrace all the SDGs but we can make an impactful contribution essentially against eight of them. In addition to B corp we will use other third parties to validate, certify, rate and challenge our performance including: the RE100 Carbon Disclosure Project, the Union for Ethical Bioptrade, the Renewable Carbon Initiative, EcoVadis, Sustainalytics, EDGE, and others. We commit to transparently report on our performance at least on an annual basis.