



# I. PURPOSE

Firmenich understands global environmental issues, our impact on them and their impact on us, our suppliers, our customers, and their consumers. We have a responsibility to tackle these challenges and have been leading real change since our first public environmental commitment to sustainable business, three decades ago. We are committed to raising awareness and engaging stakeholders on environmental matters. Our Global Environmental Policy Statement, updated annually, outlines our approach to reducing our environmental impact, and driving meaningful changes.

## II. SCOPE

The scope of the Environmental Policy Statement is based on our most recent materiality analysis. It encompasses all environmentally related issues considered to be significant for Firmenich or our stakeholders. The Environmental Policy Statement covers the global operations of the Firmenich Group including all affiliates and all manufacturing and non-manufacturing locations.

The environmental data publicly reported, unless otherwise indicated, covers all operations owned or controlled by the group -- including production sites, sales offices, laboratories, administrative office or combinations of such facilities.

## III. STATEMENT

An evolving business landscape and trends have prompted us to update our materiality analysis and conduct a [full review of our sustainability priorities](#). This assessment captured feedback from across our business. Stakeholder engagement was key, and we also reached out to customers and partners to understand their insights. Beyond informing the content of this policy, the outcomes of the materiality assessment are used to refine our sustainability strategy, redefine our targets for 2025 and beyond, and ultimately ensure the integration of high-priority sustainability and corporate risks.

Firmenich is committed to reducing and mitigating our impact on the environment by focusing on the following environmentally related material topics and setting ambitious 2025, 2030, and 2050 goals:

- Reducing our impact on climate change
- Decreasing non GHG air emissions
- Cutting water use and managing effluents
- Sourcing responsibly
- Reducing & managing waste
- Preserving biodiversity
- Fighting deforestation
- Regulatory compliance, including prevention of pollution
- Green science
- Product safety, quality & environmental impact
- Plastic

## IV. REQUIREMENTS

### **REDUCING OUR IMPACT ON CLIMATE CHANGE: CUTTING GREENHOUSE GAS (GHG) EMISSIONS**

We are firmly committed to achieving our vision of a zero-impact future, leading our industry towards carbon neutrality in our direct operations by 2025 and carbon positivity beyond that date. By 2030, Firmenich will aim to reduce absolute carbon emission in line with our 1.5°C Science-Based Targets.

We have set science-based targets (SBTs) to reduce GHG emissions. Emissions are considered science-based if they are in line with what climate science considers necessary to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

To reflect the Intergovernmental Panel on Climate Change (IPCC)'s recommendations to limit global warming to 1.5°C, Firmenich set targets aligned with the 1.5°C scenario. Our Scope 1 and 2 CO<sub>2</sub> target is a 55% reduction in absolute emissions by 2030 vs. 2017, and our Scope 3 target is a 20% reduction in absolute emissions from purchased goods and services by 2030 vs. 2017.

To meet our Scope 1 and 2 CO<sub>2</sub> emissions reduction target, we are actively exploring renewable energy installations, along with pursuing energy and process efficiency around the world.

Firmenich sources 100% of electricity from renewable sources or renewable energy credits (RECs) for all its operations, including recent acquisitions<sup>1</sup>.

As our Scope 3 emissions account for 96% of our total footprint, we set a science-based target for reducing Category 1 emissions (emissions from purchased goods and services), our most material source of Scope 3 emissions, by 20% by 2030 from a 2017 base year. As a CDP Supply Chain Program member, Firmenich engages key suppliers to reduce their emissions. Our 2025 goal is to have our top raw materials suppliers (representing 80% of our spend) participate in CDP and set emissions reduction.

Regarding our Scope 3 emissions linked to transportation of raw materials to our manufacturing sites, and finished products from our manufacturing sites to our clients, we endeavor to choose the most environmentally friendly solutions. We collaborate with our purchasing teams, transportation suppliers and customers to consolidate deliveries and ensure our shipments are as efficient as possible. We analyze emissions on a semi-annual basis, to assess our performance against our goal, and set the 2025 target to reduce our EG/IG transportation emissions by 10% vs 2020.

In addition, we are committed to offsetting 100% of our air business travel and employee commuting emissions by 2025 and will report on our verified progress every year in our ESG report.

## **DECREASING NON GHG AIR EMISSIONS**

Our approach to managing and reducing non GHG emissions (i.e., volatile organic compounds (VOCs), sulfur oxides (SOx), and nitrous oxides -- NOx) is to identify opportunities for investment in abatement equipment and consider alternative raw materials and processes which will reduce or eliminate emissions. We have met our target to reduce VOCs by 25%, as well as SOx and NOx by 50% vs 2015. Firmenich is committed to report our non GHG emissions every year in our annual ESG report and keep these non GHG emissions at or below their 2015 levels.

## **CUTTING WATER USE & MANAGING EFFLUENTS**

Through our internal management system and QHSE Operational Standards and Codes, we are committed to managing our water use and effluents.

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1. See 2021 ESG report

We set standards above minimum regulatory requirements based on local, national and international laws. All facilities follow local requirements on discharges, and we systematically set internal water quality standards aligned on, or more stringent than, local regulations. Firmenich has been a member of the UN Global Compact's CEO Water Mandate for close to 15 years. We strive to reduce critical water risks across our operations through annual assessments followed by measures to improve water-use efficiency.

We measure our water use and aim to reduce total usage globally, with a vision to be water neutral in our direct operations located in water-stressed areas by 2030. Firmenich uses the WRI's Aqueduct Water Risk Atlas and the Water Risk Filter from the World Wildlife Fund (WWF) to evaluate basin-related water risks and water use for all manufacturing and non-manufacturing sites. These tools help us understand how to preserve water supplies and restore ecosystems. Ten Firmenich sites operate in water-stressed areas and are susceptible to water risk. Using this water stress analysis, Firmenich intends to decrease rate of water use in water-stressed areas 25% by 2022, vs 2015 with a vision to be water neutral in our operations in water stressed areas by 2030. We engage suppliers on their water use via CDP Supply Chain and aim to have 70% of suppliers who respond to CDP Water set improvement targets by 2025.

Firmenich primarily uses water for cleaning and releases it after treatment into the water system. To ensure that our water discharge quality exceeds international and local regulations, we collect and report water discharge quality indicators required by law. Moreover, at all manufacturing sites, we assess the chemical oxygen demand (COD) concentration of water released back into the environment, ensure that this number improves year-over-year, and set yearly improvement goals vs our baseline of 2017.

## RESPONSIBLE SOURCING

We source raw and non-raw materials in many countries around the world, from thousands of suppliers, and have specific programs in place to manage the sustainability impacts related to these activities. At the very end of our value chain, we have built privileged business relationships with smallholder farmers and producers of naturals.

Our Responsible Sourcing Policy, issued in 2019, extends our Code of Ethics across our entire supply chain to reinforce compliance and business ethics, human rights, health and safety, environment and biodiversity, quality, business continuity and confidentiality. All our suppliers are expected to adhere to the standards set in the Responsible Sourcing Policy and to apply similar requirements to their own suppliers.

Our suppliers must also complete a questionnaire covering social and environmental topics. In



addition, we encourage suppliers to report on their environmental performance through the CDP supply chain program and set a 2025 goal to have suppliers representing 80% of our spend respond to CDP Climate Change and set improvements plans, and 70% of suppliers who respond to CDP Water set improvement targets.

## REDUCING AND MANAGING WASTE

A priority at Firmenich is to continually reduce waste and embrace circular models. We report our waste composition (nonhazardous, special waste<sup>2</sup>), disposal methods (recycled, burned for energy, landfill, etc.), and various initiatives annually in our ESG report.

As we continue to improve on how our waste streams are managed, we have focused on reducing the waste sent to landfill, by reducing waste at the source, finding ways in which waste could be recycled, as well as opportunities to generate energy from waste.

Firmenich aims to reduce our rate of special waste by 15% by 2025 vs 2020. Firmenich also intends to continuously increase our waste efficiency and ensure our manufacturing sites remain zero manufacturing waste-to-landfill, and all our locations above 50 employees (labs, offices) also reach zero waste to landfill by 2025.

## PRESERVING BIODIVERSITY

Firmenich signed the Cancun Business and Biodiversity Pledge, alongside several customers at the COP13 Convention on Biological Diversity in Mexico and is a founding member of “One Planet Business for Biodiversity” (OP2B). Through these commitments, Firmenich is dedicated to nurturing biodiversity across their ecosystems and preserve it sustainably for the well-being of present and future generations.

Firmenich works with key organizations, such as Rainforest Alliance, as well as major NGOs to ensure the certification and transparency of its raw material sourcing practices. In 2014, Firmenich Grasse became a member of the Union for Ethical BioTrade (UEBT), a non-profit organization that promotes the “Sourcing with Respect” of natural ingredients and encourages sustainable business growth, local development and biodiversity conservation. Since joining, Firmenich Grasse has implemented their highest standards in biodiversity protection and their risk-based approach to strengthen sourcing practices in specific, prioritized value chains for the Firmenich naturals’ portfolio. In 2021, UEBT approved our global membership with the goal of strengthening our natural ingredients sourcing while

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<sup>2</sup> Special waste is defined as “a waste that make it potentially dangerous or harmful to human health or the environment.”

promoting the Ethical BioTrade Principles. We are proud to have achieved this step for the entire Group.

## **FIGHTING DEFORESTATION**

Forests play a vital role in providing livelihoods for over one billion people. They also mitigate climate change by absorbing emitted carbon dioxide. Deforestation in tropical regions currently causes 8% of greenhouse gas emissions but could provide 23% of the climate mitigation needed by 2030. We are committed to fighting the urgent climate crisis, and preserving and restoring earth resources, including forests. We focus on driving transparency in our supply chain and investing in reforestation initiatives.

## **REGULATORY COMPLIANCE, INCLUDING PREVENTION OF POLLUTION**

We aim to comply with applicable laws, regulations, and standards of the countries in which we operate, and the principles of the Responsible Care® initiative and the Business Charter for Sustainable Development. We strive to be a good neighbor, are transparent in our relations with local communities, and we provide regulatory authorities with relevant information to assist them in taking well-founded environmental decisions.

We commit to the prevention of pollution through the continuous study of our performance, and the identification of new opportunities for improvement. We focus on operational control and source reduction, followed by recycling and proper waste management. Firmenich conducts its activities in a responsible manner and in compliance with all applicable laws and regulations.

## **GREEN SCIENCE: GREEN CHEMISTRY, WHITE BIOTECHNOLOGY & DESIGN FOR DEGRADATION**

Research is our engine of growth and we are consistently investing a significant proportion of our annual revenue in R&D, the highest in the industry. We are recognized as a leader in the industry for our breakthrough science and innovation. As such, we plan to build on our innovation to reach the next level of scientific excellence and inspire and encourage the next generation of scientists. From creating safe, sustainable and quality products to improving health and hygiene in developing countries, our scientists are essential to the success of our sustainability initiatives. Firmenich is committed to using biodegradable ingredients, strict toxicology standards, and green chemistry.

Where our raw materials are derived from synthetic processes, the use of green chemistry

principles is an essential part of our process-development activities. We continue to invest in areas such as catalytic chemistry, both organo- and metalo-, in order to devise cleaner processes. To better manage our overall environmental impact, we are developing a new metrics system to help our synthetic chemists make further improvements. Firmenich is dedicated to developing processes based on the “Principles of Green Chemistry”.

White biotechnology uses enzymatic or fermentation processes to make ingredients, as an alternative to chemical synthesis. This process allows Firmenich to make ingredients from renewable natural materials, such as CO<sub>2</sub>, glucose or fat, rather than petroleum.

Firmenich’s work in biodegradation is changing the way we design new ingredients for the future. All new Firmenich fragrance ingredients are tested for biodegradation. Beyond regulatory requirements, we proactively subject our compounds with the potential to go to market to the same tests. We are aiming to ensure that 95% of the ingredients in our fragrance portfolio are ultimately or partially biodegradable (as defined by the OECD) by 2025 and 99% biodegradable by 2030.

## **PRODUCT SAFETY, QUALITY & ENVIRONMENTAL IMPACT**

Firmenich is committed to producing high quality and safe products. Our Global Regulatory Services collaborate with academia to improve our knowledge of product safety and strengthen our commitment to sustainability. Firmenich does not support animal testing. Accordingly, Firmenich is actively pursuing the replacement of animal testing and researching new technologies in this regard, while providing factual data on environmental assessment. We are proactive in investigating new approaches and publish our results for the scientific community, aiming at facilitating wider acceptance by the regulators of new alternative methods being developed.

With EcoScent Compass™, Firmenich acts as a thought leader by proactively raising the bar in Fragrance sustainability measurement and improvement. EcoScent Compass™ assesses each fragrance against three pillars: a social impact score, an environmental footprint score, and intrinsic green properties.

Our commitment to assess 100% of our Taste & Beyond palette for environmental impact by 2025 relies on EcoFood Compass™, our integrated, science-based impact measurement tool built with the support of our partner, Quantis, to ensure data accuracy.

Prevention controls and a continuous improvement philosophy guide our operations across all our manufacturing centers. Our robust quality governance protects Firmenich through the



implementation of Corporate QHSE Principles & Quality Codes at site level. Performance and compliance are ensured through training and awareness, tracking key indicators, monitoring, enforcing, assessing risk and capabilities. We always seek to raise our standards and continue to foster a strong culture of quality food protection in recognition of good stewardship.

## PLASTIC

As a business-to-business company, we are well aware of the plastic debate and are committed to reducing plastic usage in our operations and supply chains while also supporting our customers through various initiatives. Our taste solutions, ingredients, and fragrances reach our customers in large industrial containers, made of metal or plastic. Sometimes, our taste or fragrance solutions are directly uploaded from our facilities to a trailer truck dedicated to transporting such goods, and then transferred into a specific container at our customers' sites, achieving a seamless waste-free cycle. We calculated our plastic footprint and have worked with our suppliers and our Purchasing and Operations teams for more than five years to reduce our impact. We aim to reach 100% fully recyclable or reusable plastic packaging by 2030.

Regarding polymers, although fragrance encapsulates have not been identified in aquatic litter and their release in the environment is minimal compared with microplastics such as beads or synthetic fibers, we are nonetheless working towards developing environmentally friendly solutions for this fragrance delivery system, aligned with consumer requirements and new regulations that are currently under discussion. Over the past ten years, we have worked extensively on continuously improving our fragrance encapsulates to deliver a better consumer benefit at reduced encapsulate dosage. For the future, we are committed to, and investing heavily in, the development of next generation biodegradable encapsulates systems that best balance consumers' demand with the challenging requirements of consumer goods while minimizing impact to the environment.

## V.EXCEPTIONS

None.

# VI. POLICY MANAGEMENT

Firmenich senior executives provide leadership and commitment in effective implementation of the Environmental Policy Statement, and work to disseminate and integrate our Global Environmental Policy Statement at all levels of the organization, in all our facilities and our activities.

Additionally, Firmenich is committed to using and maintaining an Environmental Management System, appropriate to our scale, nature, environmental impact, and products and services, and to ensure compliance with our commitments. We achieved a strategic goal to certify 26 of our manufacturing sites in full compliance with Environmental (ISO 14001) Management Systems Standards and will focus on continuous improvement and new acquisitions.

This policy is reviewed annually. Firmenich's Environmental group coordinates the policy and leads subsequent reviews and updates. We report against policy commitments in an annual basis in our yearly ESG report.

The Global Environmental Policy Statement was reviewed and approved by the following Firmenich representatives on November 23, 2021.

Jane Sinclair  
General Counsel

Neil McFarlane  
Senior Vice President Global QHS&E