

Biodiversity Public Statement

July 2022

CONTEXT

Building on three decades of Sustainability leadership at Firmenich, biodiversity¹ not only underpins the security of supply for our raw materials derived from natural resources, but is also a source of inspiration and innovation for new fragrance and flavor ingredients. It is therefore fundamental to our business and critical to our innovation pipeline.

Since 2019, we have become even more aware of how Nature is at risk: the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) latest report² shares scientific data on biodiversity loss, including the fact that 1 million species are at risk of extinction.

Considering the value of biodiversity and the urgency of halting biodiversity loss, we are committed to taking action, on which we report annually³.

PURPOSE

In line with our Purpose “*for good, naturally*”, we manufacture biodiversity-based materials and design innovations that create positive emotions to enhance wellbeing, naturally for people & planet. By combining a responsible use of natural resources with smart developments in extraction processes, green chemistry and biotechnologies, our objective is to generate positive impact on people, planet and society along our value chain

SMALLHOLDER
FARMERS



SUPPLIERS



FIRMENICH'S
OPERATIONS



DISTRIBUTION AND
LOGISTICS



CUSTOMERS

Therefore, as a responsible company, we commit to embed Nature across our activities and those of our broader value chain, and to Contribute to the UN CBD ambition to “No Net Loss by 2030”. This Corporate Statement outlines our commitments and approach to safeguarding and starting regenerating biodiversity. We believe that collaboration between different actors is critical to promote biodiversity protection and scale up positive impact. This Corporate Biodiversity Statement, which is updated regularly,⁴ outlines our approach to embracing Nature and driving meaningful change.

SCOPE

This Statement is based on the UN Sustainable Development Goals (UN SDGs) notably Goals #14 Life under water and #15 Life on land; the UN post-2020 Global Biodiversity Framework to reach full recovery of Nature loss by 2050, and the Nagoya Protocol Principles.

¹ Definition: the variability among living organisms from all sources, including diversity within species, between species and of ecosystems. (CBD)

² <https://www.ipbes.net/>

³ <https://www.firmenich.com/company/about-us/policies-position-statements>

⁴ Regularly: every 2 to 3 years.

This statement is relevant to every employee, officer, and director of Firmenich, its subsidiaries and affiliates worldwide. It is the responsibility of Firmenich's employees, officers and directors to promote a culture where positive contribution to nature is understood and promoted.

The statement purpose is reflected in our Responsible Sourcing Policy and is an inspiration to all our suppliers of direct and indirect materials, and invites all our business partners to uphold the principles herein and adopt similar commitments within their own businesses.

It builds on existing [Statements and Policies](#) specifically the Global Environmental Policy Statement, Position Statement on Palm Oil, Code of Ethics, Human Rights Policy and Responsible Sourcing Policy.

Thanks to this Biodiversity Statement and the above-mentioned statements and policies, Firmenich is committed to reporting against GRI biodiversity indicators (GRI 304) and to contributing to "Reverse Nature Loss" with ambitious 2025 and 2030 targets on key material topics, by:

- Building an enabling environment
- Setting biodiversity metrics for our manufacturing sites
- Promoting biodiversity-based innovation
- Sourcing with respect for Biodiversity & People (e.g. by including fighting deforestation and land conversion, promoting Regenerative Agriculture)
- Delivering nature-friendly products

REQUIREMENTS

Setting an enabling environment

We always strive to walk the talk by addressing our ESG risks internally first, in order to inspire our suppliers and learn any relevant good practice, ensuring first that these are embedded in our own scope, in addition to working with our suppliers.

We commit to set science-based targets for our different scopes (i.e. our operations, our portfolio of naturally derived raw materials and, products delivered to our clients) through consideration of the [Science Based Targets for Nature](#) guidelines and recommended interim targets.

We commit to contribute to No Net Loss of Biodiversity by investigating with IUCN⁵ and UEBT⁶ the notion of [Nature based Solution](#) approaches in our ecosystem.

Setting biodiversity metrics for our manufacturing sites

To engage our operations into our ambition, we request our manufacturing sites that are at risk according to the [Sedex Risk Radar](#) tool (i.e. above risk 5) to include regenerating biodiversity activities in their local projects and/or develop specific projects following the adapted [Biodiversity Action Plan methodology](#) and agreed monitoring indicators.

Promoting biodiversity-based innovation

Our R&D division works across three pillars in developing manufacturing processes: biotechnology, chemical synthesis and naturals valorization. We firmly believe that this holistic approach, using a single pillar or combining pillars, in conjunction with our rigorous environmental standards in research, allows us

⁵ International Union for Conservation of Nature

⁶ Union for Ethical BioTrade

to explore and develop the best processes to manufacture sustainable ingredients. This includes the discovery and development of alternatives to ingredients derived from threatened natural resources.

Our R&D activities contribute to protecting climate and nature at two levels:

- During discovery, by selecting the starting materials according to renewability criteria where possible, and also by prioritizing the molecules to be developed based on our EcoGate environmental impact criteria. This is carried out in full compliance with the Nagoya Protocol on genetic resources, as well as the relevant Access and Benefit Sharing (ABS) regulations.
- During process development or optimization, by defining sustainable and cost-effective production routes, maximizing efficient use of available resources, reducing energy and water usage.

Beyond our engagement on environmental data in our Science work detailed in our [Global Environmental Policy Statement](#), we require our R&D and Innovation teams to support the implementation of the Nagoya Protocol principles and requirements on ABS.

Our teams are requested to follow the Firmenich ABS due diligence approach summarized in the below steps:

- 1) Know the provider country
- 2) Collect the necessary information
- 3) Register the sample in Nagobase, a database centralizing, tracking and monitoring applicable regulations of all genetic resources entering our research and innovation facilities
- 4) Follow the check points agreed at corporate level

We commit to secure the relevant ABS permits, when applicable.

Sourcing with respect for Biodiversity & People including fighting deforestation, land conversion and promoting Regenerative Agriculture, etc.

We source natural raw materials from over 50 countries and derived from around 400 different species.

Beyond regulatory compliance, in alignment with our integration of the United Nations Sustainable Development Goals (SDGs), our Responsible Sourcing Policy, and our Union for Ethical BioTrade (UEBT) global membership, Firmenich pledged to strengthen the following material topics, requesting our suppliers of raw materials derived from natural resources to:

- Ensure compliance with all applicable laws and international standards related to the use and trade of natural ingredients; including and not limited to CITES permits, collection permit for wild species, Access and Benefit Sharing regulations, banned agro-chemicals listed under Stockholm Convention on Persistent Organic Pollutants (POPs).
- Disclose all relevant information with regards to biomass of origin and its geographical origin in relation to its cultivation and/or collection areas (min. country level).
- Monitor and mitigate impacts on biodiversity directly or indirectly linked with supplier's activity (e.g., deforestation, land conversion, IUCN redlist confirmed risk for wild collected species).
- Promote and implement agricultural and collection practices that contribute to climate resilience and regeneration of ecosystems (e.g. species diversity, soil and water health, etc.).
- Set a fair price that contributes to providing living wages to participants in the supply chains.
- Respect of land rights and indigenous people's rights, when applicable.
- Develop their own sourcing standard or seek compliance with leading sustainable certifications standards.

Deliver nature-friendly products

Our business divisions are actively working to achieve our 2030 ESG Ambitions on climate, nature and people, with a goal to deliver 100% of our products with a measurable improved social and environmental impact including biodiversity metrics. Their progress is measured by our proprietary digital EcoTools.

The Taste and Beyond Business aims at accelerating the global Diet Transformation, by helping to create healthier, great-tasting food & beverages with more natural and sustainable ingredients to enhance wellbeing for people & planet.

The Perfumery Business aims to advance Conscious Perfumery by creating eco-designed fragrances composed of responsible and sustainable ingredients that deliver on performance, hedonism, well-being and have a positive impact for people, nature & planet.

EXCEPTION

None

STATEMENT MANAGEMENT

This statement was approved by our CEO who oversees our ESG ambitions with the support of our Board Committee on Governance and Sustainability and the Global Sustainability team.

To ensure the integration of biodiversity across all divisions of the business, we operate a cross-divisional Biodiversity Committee managed by our Director on Biodiversity Compliance & Strategy, and composed of members from Business, R&D, Regulatory and Procurement divisions. The Committee coordinates the Strategy development, its operationalization and Performance tracking.

We report against this Statement and on our commitment to Biodiversity and activities on an annual basis through our Sustainability ESG Report.

This statement is in line with our Fundamentals and sustainability commitments and supports our approach to responsible sourcing and human rights.

Gilbert Ghostine

Chief Executive Officer

