

PATHWAYS TO POSITIVE

PERFORMANCE AND SUSTAINABILITY REPORT 2019



CELEBRATING OUR LIVING CORAL

Vivid and striking bursts of color animate this year's performance and sustainability report. Embracing PANTONE © Color of the year 2019 "Living Coral", we aim to bring to life Firmenich's devotion in creating positive emotions that improve the wellbeing of our customers, people, and communities, while preserving our environment, 'naturally'. We believe that "living coral" effectively portrays our "For Good, Naturally" purpose. 'Living Coral' is a warm mid-tone that with its gentle heat, forms harmonious connections to other colors and lets them come to life. It brings a sensation of presence, enclosing both the feeling of closeness and a point of contact between one and another.

Coral is a remarkable and striking object of curiosity that grabs our attention with its strangeness. Coral attach themselves permanently to the ocean floor, taking root like a plant. This gives them an uncanny, curious appearance that we seek to understand. Coral juxtaposes the animate and inanimate, seeming between animal, vegetal and mineral.

In contrast, Firmenich's sustainability strategies and goals are intelligible and well-defined, with the aspiration to extend and enhance the life of all that is animate and alive. While colors and smells come to life with our perfumers' creative "Living curiosity" collection, Firmenich's aim to enhance the well-being of people and to conserve the planet comes to life through the company's sustainability agenda and contribution to the sustainable development goals. Firmenich's deeds range from championing diversity and inclusion, to promoting the wellbeing of people, to improving hygiene for low income consumers through offering breakthrough malodor control technologies, to providing healthy, nutritious and tasty food for billions of people worldwide, to ultimately protecting the biodiversity and preserving invaluable natural resources. In this, Firmenich generously instills positive, powerful, vivacious, cheerful, heartwarming and touching emotions in the hearts of people in our society, and acts with care for nature. This is comparable to the expressive and lively emotions that the coral's stimulating and bright color induces.

Coral is an endangered species. We do not only seek to think of its legacy as an object of curiosity, but also as a living creature that evokes our own curiosity, awakening our thoughts and senses to ourselves and to the world and nature around us. We seek to investigate and learn about our customers and consumers' needs, continuously offering solutions within the planet boundaries. Interestingly, coral are translucent; however they are given their color and energy from the algae that populate their form, which takes energy from sunlight. Similarly, Firmenich builds upon the diversity, talent and thriving energy of its employees, to generate positive impact on people and nature. Coral is a precious and admired gem to be preserved. Corals connect to each other, spreading and creating a colony that acts as a single organism. While Coral reefs form only 1% of the ocean floor, they support 25% of the oceans life forms. Resolutely, our 7,600 employees unite as One Firmenich in line with our sustainability goals, aiming to enhance the life of people and their habitat, including the oceans in which coral reefs thrive.



CONTENTS

01

ABOUT FIRMENICH

About Firmenich	05
Statement from our Chairman and CEO	06
2019 – Our year in brief	07
Our performance at a glance	09
Supporting the Sustainable Development Goals	10

02

OUR APPROACH TO SUSTAINABILITY

Our governance structures	13
Corporate governance	14
Sustainability governance	15
Risk management and business continuity	17
Risk management	19
Business continuity	20
Materiality	21
Our strategy	23
Value chain	24
Engaging with stakeholders	25

03

IMPACT DRIVEN INNOVATION

Working in partnerships	30
Driving our business through R&D	32
From discovery of new ingredients to continuous improvement	38
Improving well-being	38
Responsible sourcing	41
Naturals Together™	42
Ingredients innovation: advancing our excellence in naturals	44
The footprint of fragrances	44
Reaching low-income consumers	47
The role of malodor control in improving sanitation	49
Creating new taste solutions for innovative nutritious products	49
Enhancing nutrition	54



04

OUR ENVIRONMENTAL LEADERSHIP

Reducing our impact on climate change

CO₂ and energy

Our performance

Engaging suppliers on climate change, water and forests

Conserving water

Our water management practices

Progressing towards our 2020 water target

Driving down waste

Improving our waste efficiency

Playing our part in reducing plastic use

Preserving biodiversity

Impact and management of biodiversity

Advocacy and engagement

56

58

58

60

62

63

63

64

66

66

67

69

69

70

Redefining the future of work

Respecting and promoting human rights

Human rights value chain mapping

Integrating human rights into our new sustainability strategy

Supplier social assessments

Advocacy and engagement

Prioritizing health and safety

Our health and safety management practices

Our performance

Our approach to communication and training

Fostering our employees' well-being

Nurturing a culture of safety excellence

Championing diversity and equal opportunity

Our commitment to gender equality and women empowerment

We are the family-friendly company

Disability is part of our diversity & inclusion agenda

Extending our commitment towards equal opportunity

75

76

77

78

78

78

79

79

80

80

81

81

82

82

83

83

84

Our stance on anti-corruption

Ensuring product safety and quality

Our regulatory compliance

Supporting more sustainable supply chains

Assessing our suppliers' environmental and social standards

Ensuring security of supply of raw materials

Implementing and extending supplier qualification

Audit programs

Platforms driving sustainable supply chains

88

89

91

93

94

94

94

95

95

96

07

APPENDIX

97

About this report

98

Independent assurance statement

100

Performance indicators

102

GRI Content index

109

05

PEOPLE

Our employment policies, standards and practices

Our approach to recruitment and retention

71

73

73

06

RUNNING A RESPONSIBLE BUSINESS

84

Ensuring high standards of business integrity

87

Business ethics

87



01

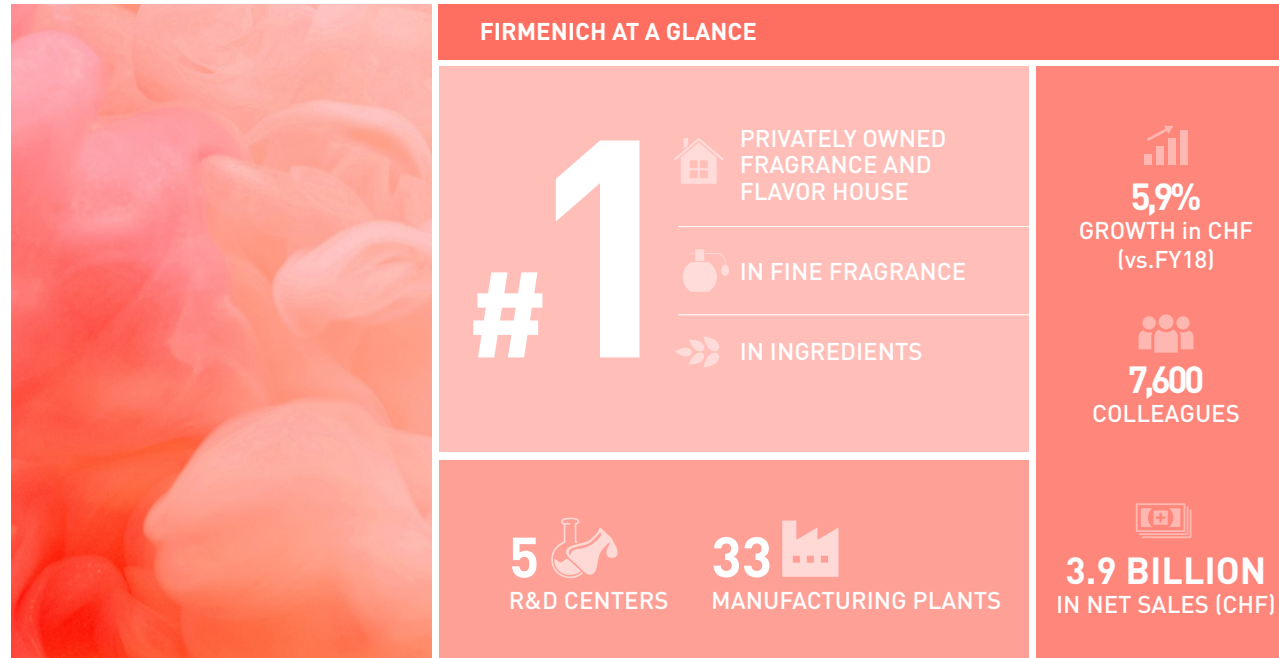


ABOUT FIRMENICH



ABOUT FIRMENICH

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7



Firmenich is the world’s largest privately-owned fragrance and flavor house, founded in 1895, and headquartered in Geneva, Switzerland. Driven by our purpose to create positive emotions to enhance wellbeing, naturally, we have designed many of the world’s best-known perfumes and tastes, bringing delight to over four billion consumers every day. We are present across more than 100 markets, employ close to 7,600 colleagues and operate 82 facilities around the world, including 33 manufacturing plants and five research and development (R&D) centers. This year, expanding our business reach, we announced four acquisitions and one strategic partnership. We also opened new facilities across the globe in more than ten countries.

Taking our legacy into the future, sustainability is one of our “Firmenich Fundamentals” and lies at the heart of our strategy and business growth.



ABOUT FIRMENICH

STATEMENT FROM
OUR CHAIRMAN AND CEO

GRI 102-14

Firmenich delivered strong results in its Fiscal Year 2019 (FY19), delivering CHF 3.9 billion in net sales, 5.9% versus prior year.



Mr. Gilbert Ghostine, CEO and Mr. Patrick Firmenich, Chairman of the Board

With our customers' success top of mind, we strengthened our competitive position in many ways. We announced four acquisitions in key markets of the future, from India and China to the United States and Italy. We opened new facilities across the globe in high growth markets to deliver fast-paced innovation and delivered cutting edge technologies. Inspired by our values, we reinforced our purpose this year, with our call to action "For Good, Naturally". With sustainability at the heart of our business, we were recognized as a global environmental and social leader, making great in-roads on our "Pathways to Positive" strategy.

Throughout this report you will read about the many ways our 7,600 colleagues are living our purpose and advancing our sustainability goals across our 100+ markets every day:

- Spreading moments of happiness
- Making healthier taste delicious
- Accelerating access to sanitation
- Preserving nature
- Leading our business responsibly

As creators of emotions through the senses of taste and smell, touching over four billion people around the world every day, we want to be positive in all senses: for our people, the planet and society.

To give you a sense of the breadth and depth of our work, we are proud to share some key highlights with you.

PEOPLE

We are a "people business", creating value through our science and expertise.

As we grow, our key challenge is to make our "big company feel smaller" every day.

That's why we strive to offer a safe and inclusive workplace, where all our colleagues can thrive.

Today, we are one of only eight companies worldwide and the only player in our industry to be globally certified as a gender equal employer.



Going well beyond gender equality, our commitment to diversity spans a mix of backgrounds, race, age, experience and people with different abilities.

PLANET

Nature is the beginning and end of everything we do, our greatest inspiration and the source of our most precious ingredients. That's why we set ourselves the most ambitious environmental goals with the vision to be carbon neutral. We are delighted to see how far we have come since we signed the Paris Pledge at COP 21. Today, we are recognized as a global environmental leader, one of only two companies worldwide, out of more than 7,000, to have achieved "triple As" with CDP, in Climate, Water and Forestry in 2018.

Growth is good; responsible growth is even better.

We are clearly decoupling our growth from our CO₂ emissions. Since 2015, our manufacturing output has increased by 18%, while our CO₂ emissions declined by 30.2%. We will keep on broadening this gap!

SOCIETY

With Research as our engine of growth, we put our leading science of taste and smell to work to enhance wellbeing, actively addressing key societal challenges such as nutrition and sanitation.

Tackling today's malnutrition crisis, our latest taste solutions can remove sugar naturally. Throughout our Fiscal Year 2019,

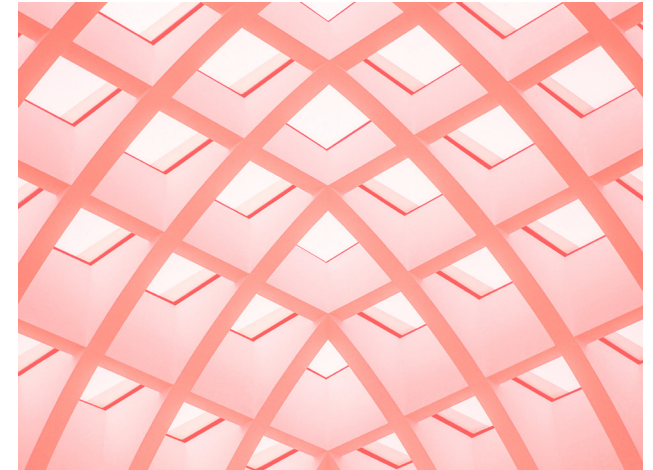
we removed 215 tonnes of sugar, over 870 billion calories, from food and beverage products that consumers love. Accelerating access to sanitation, our breakthrough malodor control technologies are currently reaching populations in need through affordable toilet cleaning products in Bangladesh and under trial in India and South Africa.

There is no long-term shareholder value creation without values.

Since our creation in 1895, Firmenich has always been more than a company, we are a family with a unique legacy of responsible business. Ever since we signed the first International Chamber of Commerce Business Charter for Sustainable Development in 1991, we have been on a journey of continuous improvement to lead real change in sustainable business. It gives us much pride to be recognized today as the most "Sustainable Family Business" in Switzerland.

Looking towards the future, our vision is to be the most responsible family-owned company, actively tackling today's climate urgency, as well as conscious consumers' expectations for healthy, ethical and traceable products. In our fast-paced business environment, we will continue to strengthen our governance to firmly entrench sustainability at the heart of our business growth and create value for all our stakeholders: our customers, colleagues, shareholders, communities and the planet.

As a proud signatory of the UN Global Compact since 2008, our actions will continue to be guided by its 10 Principles and the SDGs, embedded in our growth strategy. More information about our Pathways to Positive strategy and our performance can be found in this report.



We owe our performance to the trust of our customers and, naturally, the passion, professionalism and endless creativity of our colleagues!

On behalf of the Board and our Executive Committee, we sincerely thank all of Firmenich's 7,600 colleagues for living our purpose every day.

*Living our purpose starts right here, right now, with all of us!
We invite you to join us to make an even bigger difference together!*

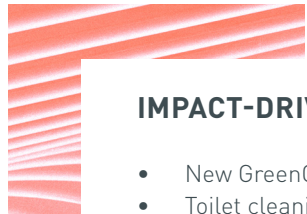
Warmest regards

Patrick Firmenich // *Chairman of the Board*
Gilbert Ghostine // *Chief Executive Officer*



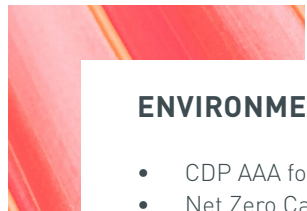
ABOUT FIRMENICH

2019 OUR YEAR IN BRIEF



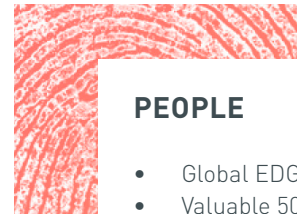
IMPACT-DRIVEN INNOVATION

- New GreenGate and Z11 HD - see [page 38](#) and [39](#)
- Toilet cleaning products available in low-income markets - see [page 49](#)
- Academic case study on our contribution to SDG 6 - see [page 52](#)
- Strategic partnership with Layn and Senomyx - see [page 55](#)



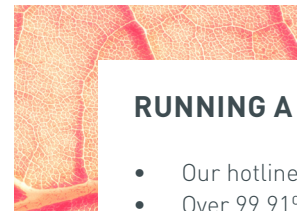
ENVIRONMENTAL

- CDP AAA for Climate, Water and Forests - see [page 59](#) and [62](#)
- Net Zero Carbon Pledge - see [page 59](#)
- 86% of global electricity from renewable sources or RECs - see [page 58](#)
- Public statement on biodiversity - see [page 69](#)



PEOPLE

- Global EDGE certification for workplace gender equality - see [page 82](#)
- Valuable 500 Pledge on disability inclusion - see [page 83](#)
- Global Alliance for YOUth - see [page 74](#)
- Royal Society for the Prevention of Accidents (RoSPA) Gold Award in the UK - see [page 81](#)



RUNNING A RESPONSIBLE BUSINESS

- Our hotline awareness campaign - see [page 88](#)
- Over 99.91% sales orders delivered product defect-free - see [page 90](#)
- Three awards on food protection culture transformation - see [page 90](#)
- Support of the #BeCrueltyFree campaign - see [page 92](#)



ABOUT FIRMENICH

OUR PERFORMANCE AT A GLANCE

Progress key
 ● ● ● More to do
 ● ● ● On track
 ● ● ● Met

GOVERNANCE
Responsible Business

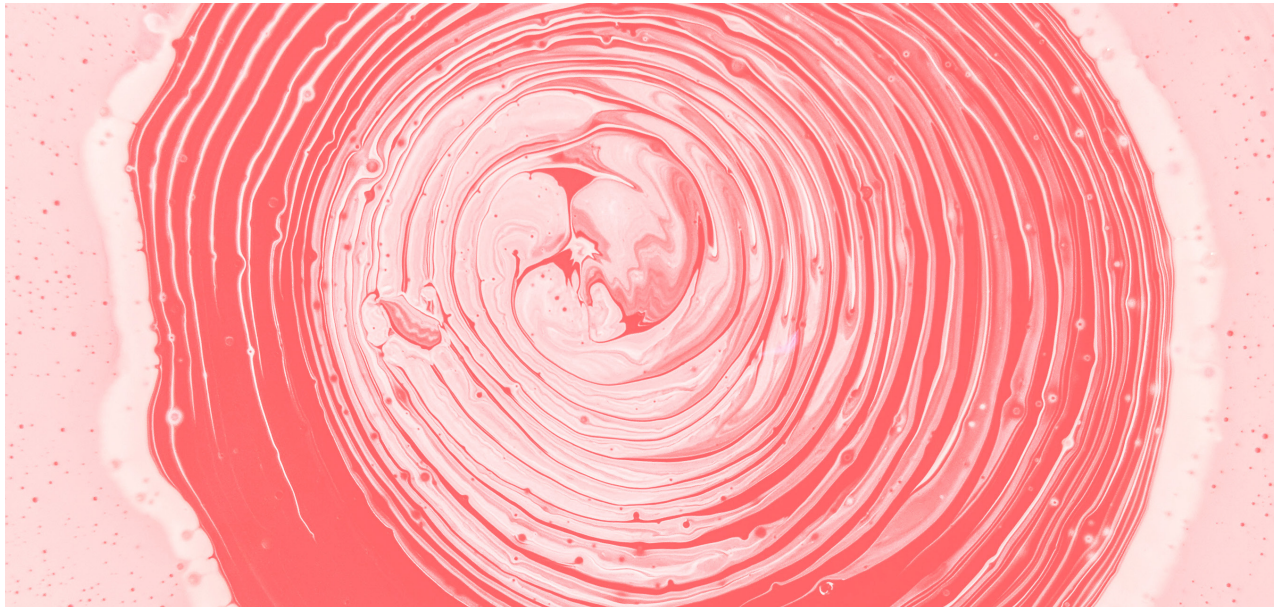
GROWTH
Impact-driven innovation

GREEN
Environmental

2020 GOAL		FY19 PROGRESS		2020 GOAL		FY19 PROGRESS		2020 GOAL		FY19 PROGRESS	
Maintain a best-in-class legal compliance program	● ● ●	Continued to promote a culture of ethics and compliance by updating our policies, standards and raising awareness through training, communication and guidance		Improve quality of life through nutrition, hygiene and sanitation	● ● ●	<ul style="list-style-type: none"> Developed new taste solutions for innovative nutritious products Launch of Mobile Toilet 'for Her' in Pune 		Reduce absolute Scope 1 and 2 CO ₂ emissions by 20%	● ● ●	30.2% decrease vs. FY15	
Certify all Firmenich sites for gender pay equality	● ● ●	EDGE certification for workplace gender equality		Develop sustainability projects with 50 customers globally	● ● ●	Developed projects with more than 100 customers , ranging from multinational to smaller companies, covering perfumery and flavors		Obtain 100% electricity for Level 1 sites from renewable sources or RECs	● ● ●	86% of electricity from renewable sources or RECs	
Further improve our excellent product quality	● ● ●	Achieved a Customer Quality Index (CQI) of less than one product defect per 1,000 sales order lines		Build 40 responsible sourcing projects with smallholder farmers	● ● ●	Implemented 31 Deep Roots projects		Ensure all of our manufacturing sites can claim zero waste to landfill	● ● ●	56.3% reduction in waste to landfill vs. FY15	

ABOUT FIRMENICH

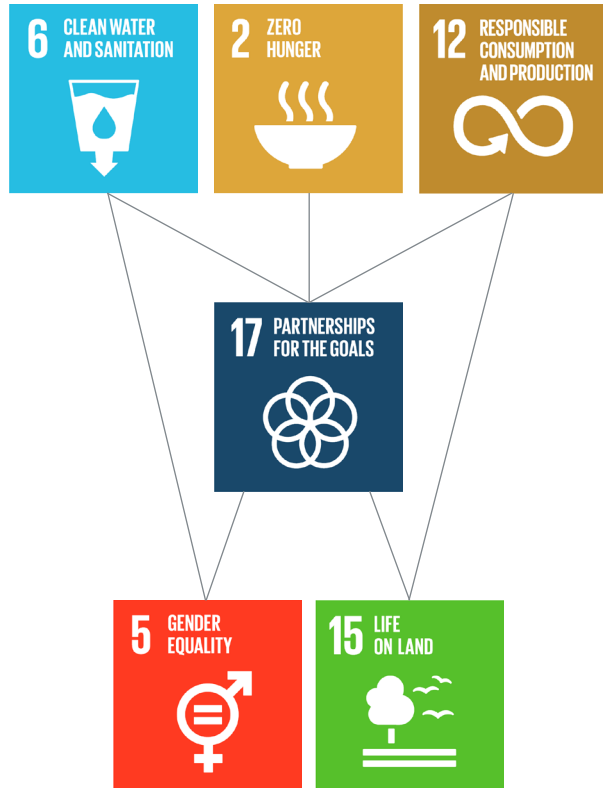
SUPPORTING OUR SUSTAINABLE DEVELOPMENT GOALS



Since their adoption in 2015, the SDGs have provided us with a new lens through which to capture opportunities while addressing global needs and challenges. The SDGs present an opportunity for us to offer smell and taste solutions through sustainable and inclusive business models, embracing and living our purpose for more positive impact. From responsible sourcing to production and sale of sustainable products, our sustainability work covers a large spectrum of activities, which all contribute to the SDGs in various ways.



SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS



Although we value all SDGs, we focus on those that are most relevant to our business and fundamentals. As a business-to-business company, we are part of vast production cycles and strive to help our customers achieve their goals and satisfy consumers' demand for more sustainable products. Responsible production and consumption (SDG 12) is therefore a strong focus for us.

Beyond our position in the value chain, we are first and foremost a perfume and taste company. Our expertise lies in smell and taste. This is where we can make a difference. While there is no mention of smell in the SDGs and targets, it can be an enabler of better public health. Beyond infrastructure, bad smell is one of the biggest barriers preventing people from using toilets. Building on our expertise in malodor control, we can be part of the solution and contribute to safe sanitation and hygiene (SDG 6). In parallel, with our taste solutions, we have a role to play in transforming the food system by making dietary shifts a reality while supporting a healthy planet through sustainable use of ecosystems (SDG 15). We are committed to leveraging our taste solutions to enable healthy diets and we work towards improved nutrition (SDG 2).

With our human rights work, we are addressing multiple SDGs but have a particular focus on gender equality (SDG 5). As a responsible family-owned company, we place diversity & inclusion at the heart of our business model and strategy. With the EDGE certification we received in FY19, we have achieved a milestone but we know there is more to be done, which is why we continue to focus our efforts on this

important topic and explore synergies with other projects.

Underpinning our contribution to the SDGs, partnerships (SDG 17) take central stage in our approach to sustainability and strategy. We believe that addressing global needs is beyond the reach of one company and that scaling up positive impact can only be achieved collectively. In a spirit of partnership, we are committed to create a new generation of leaders inspired by the SDGs. Our CEO is personally committed to communicate on the importance of the SDGs by delivering keynote speeches at business schools and participating in specific programs. As a member of the Jury in **Ideas for Action (I4A)**, a knowledge platform and joint program of the World Bank and the Zicklin Center for Business Ethics Research at the Wharton School, our CEO, together with other leaders, give young people the opportunity to create ideas for financing and implementing the SDGs.

For more information about colleagues advancing some of the SDGs mentioned above, please check out our Purpose heroes in our **Purpose Magazine**.



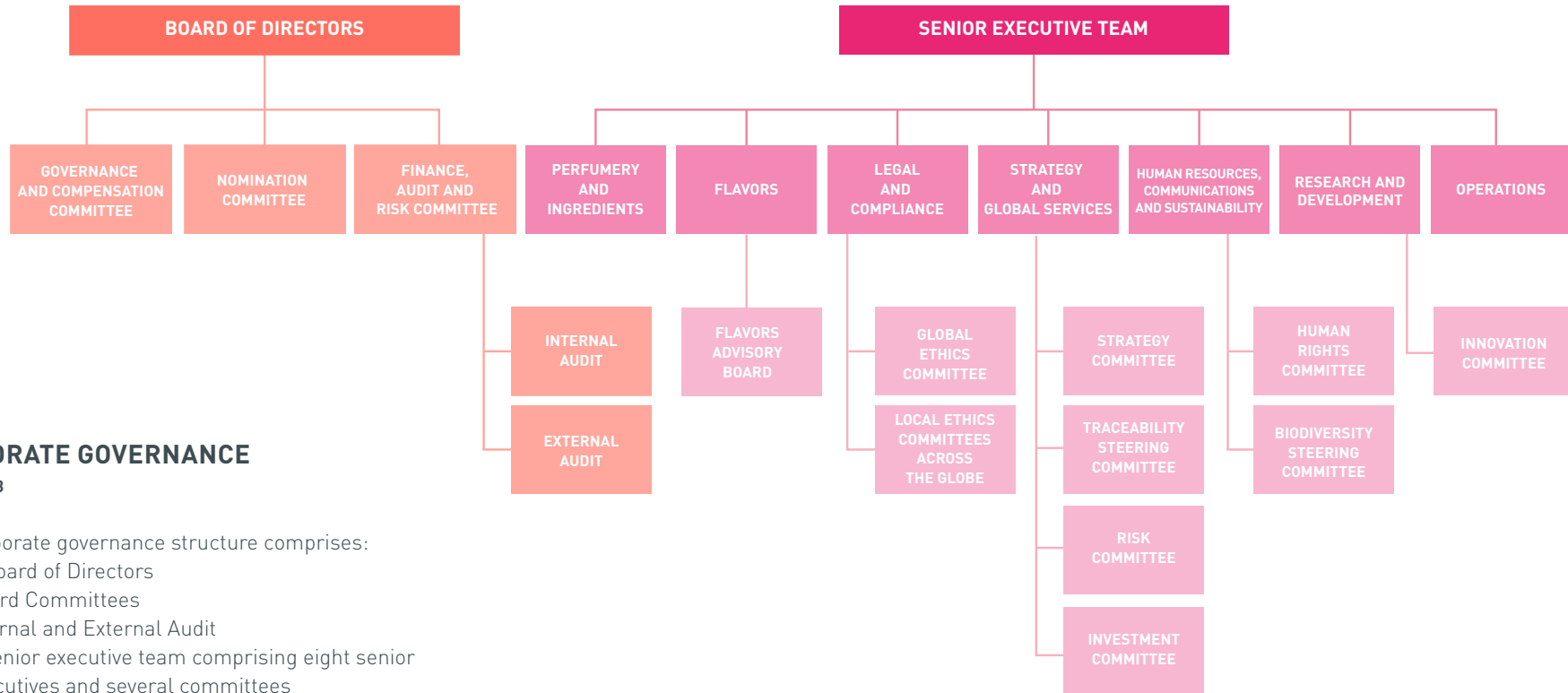
02

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OUR APPROACH
TO SUSTAINABILITY



OUR GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE

GRI 102-18

Our corporate governance structure comprises:

- A Board of Directors
- Board Committees
- Internal and External Audit
- A senior executive team comprising eight senior executives and several committees



Board of Directors

ROLE, STRUCTURE AND COMPOSITION OF THE BOARD

GRI 102-18, 102-19, 102-22, 102-23, 102-26

The Firmenich Board of Directors' principal mission is the oversight of the company, ensuring the good performance of the Group, defining the strategy, ensuring risk oversight, compliance with the law and overseeing the management and maintenance of the Fundamentals, including validation of the purpose. For this mission, the Board appoints the CEO and makes strategic decisions that allow the CEO to manage the Group's activities with the assistance of the senior executive team, and it monitors the execution of the strategy. The Firmenich Board consists of nine members, five of whom are independent non-executive Directors and two of our nine Board members are women. Directors' mandates shall be for a term of three years (except in exceptional circumstances) and may be renewed for up to five consecutive mandates.

The Chairman of the Board is Patrick Firmenich who is a family member and non-executive Director. See the **biographies of the Directors** which show the sector relevant work experience and that one Board member has specific competency relating to economic, environmental and social topics from previous roles including Chief Sustainability Officer in industrial companies which have reached top positions in the Dow Jones Sustainability Index. Delegation of authority for the day-to-day business management from the Board to senior executives is part of the delegation of authority to the CEO who is helped in his duties by the senior

executive team. That delegation is very broad and includes ensuring the Fundamentals, the Code of Business Conduct and the law are complied with, and promulgating policies covering (amongst other things) corporate citizenship, safety and environmental protection.

CONSULTATION WITH STAKEHOLDERS AND COLLECTIVE KNOWLEDGE OF THE BOARD

CEO and senior executive team members engage with third-parties and participate in sustainability conferences. The CEO presents a CEO Report at each Board meeting which covers engagement and developments on economic, environmental and social topics and enhances the Board's collective knowledge of economic, environmental and social topics.

NOMINATION OF BOARD MEMBERS

GRI 102-24, 102-25, 102-28

The Board proposes the appointment of new members within the limits set by the Articles of Association, the principles of Corporate Governance and any other applicable rules. The shareholders vote on the proposed nominees as part of the Annual General Meeting (AGM). For non-family Director candidates, it proposes personalities whose profile will ensure the Group operates well and that the Board has independence of judgement. Conflicts of interest, including cross-board memberships are avoided and managed through the Governance and Compensation Committee (GCC). The Board evaluates his performance every three

years. The last evaluation in 2017-2018 was conducted with an independent external provider.

FREQUENCY OF MEETINGS

The Board meets at least six times a year, normally once per quarter; on the occasion of the AGM, and once in November for an extended seminar. After consultation with the CEO and Secretary to the Board, the Chairman may decide to convene one or more additional meetings.



Board of Directors

From left to right: Mr. Michel Firmenich, Mr. Richard Ridinger, Dr. Antoine Firmenich, Ms. Barbara Kux (Vice Chairman), Mr. Patrick Firmenich (Chairman), Ms. Karen Jones, Dr. Ajai Puri, Mr. Pierre Bouchut and Mr. André Pometta.



BOARD'S REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

102-31, 102-32

The CEO reviews economic, environmental and social topics as part of the quarterly CEO's report to the Board. In addition, every year, in September, the Board reviews and approves Firmenich's annual sustainability report, ensuring coverage of the material topics and providing feedback which is integrated into the final report issued in October.

CRITICAL CONCERNS

GRI 102-33

Critical concerns are things which could have or are likely to expose the Firmenich group to a significant negative reputation, financial or structural impact. They are communicated to the Board in multiple ways: firstly in the ongoing relationship between the CEO and Chairman of the Board and secondly through the Finance Audit and Risk Committee in their risk oversight role. The type of issues reported includes audit findings, policy improvement needed, changing market conditions, increased environmental enforcement and risks in specific countries.

REMUNERATION POLICIES AND PROCESS

GRI 102-35, 102-36

Remuneration of the Board of Directors is determined by the shareholders in the AGM whereas remuneration of the senior executives is in the remit of the Governance and Compensation Committee (GCC) who recommends the remuneration to the Board for approval. Remuneration is proposed based on benchmarking with comparable companies and roles.



Senior executive team

The executive team comprises eight members (including the CEO), drawn from each of Firmenich's key business functions – Perfumery & Ingredients, Flavors, Legal & Compliance, Strategy & Global Services, Human Resources, Research, and Operations. The Executive Team is in charge of running our day-to-day business.

In FY18, senior executives reviewed our materiality analysis and participated in the development of the materiality matrix featured on [page 23](#) of this report. In FY19, they were involved in the development of our new purpose which was approved in July 2018 and launched in September 2018. The Global Head of Sustainability makes at least one annual presentation to the senior executive team and is asked to provide guidance on specific sustainability-related topics.

To support our senior executive team, our top 160 leaders, our factory managers and our General Managers each have a role to meet our sustainability targets.

SUSTAINABILITY GOVERNANCE

As a family-owned company, we look after Firmenich for future generations and pay particular attention to governance. First and foremost, we are governed by our Fundamentals: Customers, People, Creativity, Sustainability, and Legacy. Sustainability is a key Fundamental, driving our long-term success and warranting specific governance. Over the past few years, sustainability governance mechanisms have evolved from formal structures to

become more collaborative mechanisms, allowing cultural change and multi-disciplinary approaches. Consequently, we have evolved our former Sustainability Council into a Global Sustainability Exchange, reflecting the importance we place on internal and external collaboration.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability falls within the remit of our Chief Human Resources Officer. The Global Head of Sustainability reports to the Chief Human Resources Officer and is responsible for the development and execution of the sustainability strategy, while maintaining our leadership position and sustainability performance. The Global Head of Sustainability also reports progress to the CEO on a quarterly basis and supports him on many partnerships related to sustainability.

GLOBAL SUSTAINABILITY: REINFORCING SUSTAINABILITY INTEGRATION FOR POSITIVE IMPACT

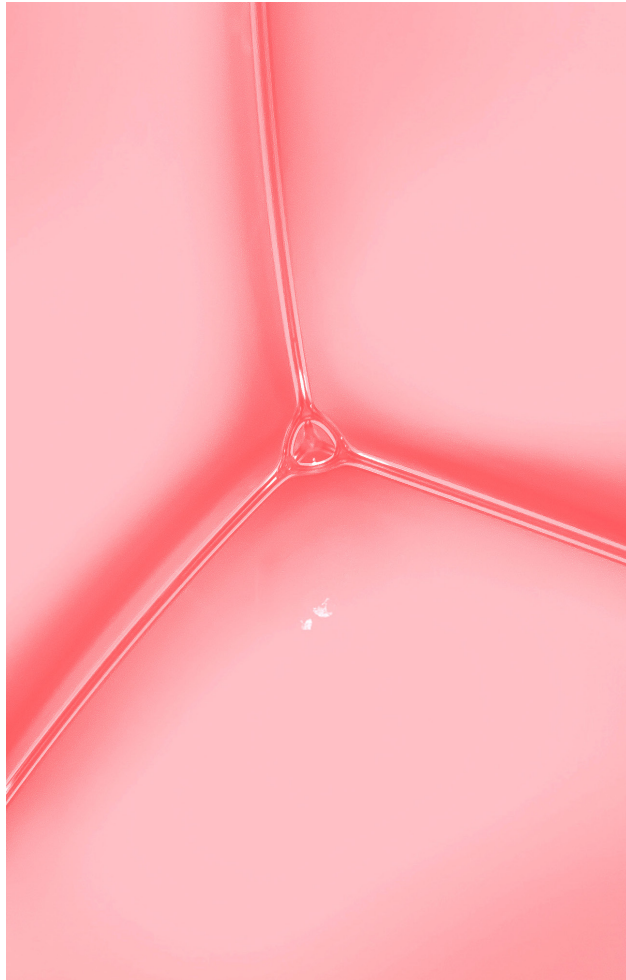
Global Sustainability supports the implementation of sustainability across our company by operationalizing it in all divisions: Perfumery, Flavors, Strategy & Global Services, Legal & Compliance, Research & Development, Human Resources and Operations. A network of sustainability champions in every region where we operate, enables further integration of sustainability across our company affiliates and allows for a tailored approach to specific regional sustainability issues. Global Sustainability is also in charge of annual reporting on sustainability and coordination of sustainability assessments (for example, EcoVadis,

Sedex and RobecoSAM). In addition, Global Sustainability facilitates cooperation within Firmenich and collaboration with external stakeholders, including strategic partners who play an important role in advancing sustainability at Firmenich. We facilitate internal engagement through Connect, an online platform which provides sustainability updates and materials to help colleagues stay informed. We also provide regular training to colleagues on sustainability and specific topics such as biodiversity or human rights.



Executive Team

From left to right: Mr. Eric Nicolas (Group Chief Financial Officer, Corporate Vice-President Strategy and Global Services), Ms. Mieke Van de Capelle (Chief Human Resources Officer), Ms. Jane Sinclair (General Counsel and Secretary of the Board), Mr. Gilbert Ghostine (CEO), Pr. Geneviève Berger (Chief Research Officer), Mr. Armand de Villoutreys (President Perfumery and Ingredients), Mr. Emmanuel Butstraen (President Flavors), Mr. Boet Brinkgreve (Chief Supply Chain Officer).



SUSTAINABILITY EXCHANGE: A DYNAMIC PLATFORM GUIDING OUR STRATEGY

To support collaboration, last year we created a dynamic network of partners and colleagues - the Sustainability Exchange. This enables the exchange of expertise, experience and insights, by connecting different functions and gathering together communities of practice. It helps us grow activities into impactful projects that generate opportunities for Firmenich, our partners and society at large. In FY19, the Sustainability Exchange was engaged throughout the development of our future sustainability strategy and related goals, targets and indicators. Building on this important exchange and a previous gathering in May 2018, we will convene our partners and colleagues at another Sustainability Exchange Meetup during FY20, at which we plan to present our future sustainability strategy and discuss future projects with all participants.

SPECIFIC GOVERNANCE NETWORKS

We have several networks in place, covering a wide range of issues. These include the Traceability Steering Committee, which supports our corporate and sustainability strategy.

DEDICATED GOVERNANCE FOR BIODIVERSITY AND HUMAN RIGHTS

Recognizing the cross-cutting nature of sustainability and the importance of integrating sustainability across Firmenich, we put in place two additional governance mechanisms during 2017 and 2018 – a Biodiversity Steering

Committee and a Human Rights Committee. Both of these cross-divisional committees comprise members from all business divisions, helping to facilitate the integration of sustainability across the company. The Biodiversity Steering Committee has been instrumental in advancing our approach to the operationalization of the Nagoya Protocol and has encouraged further integration of biodiversity in our research and development activities. The Human Rights Committee meets twice a year to review our human rights strategy and progress on priority issues and action plans. During FY19 the Human Rights Committee played an important role in helping us to start operationalizing human rights. Members of the committee provided valuable feedback on our human rights strategy in the context of our future business and sustainability strategy and our new cycle of goals.

RISK MANAGEMENT & BUSINESS CONTINUITY

RISK MANAGEMENT

GRI 102-15, 102-30


Enterprise Risk Management (ERM) ensures we protect our company appropriately and effectively.

The Risk Committee is a key pillar of our risk management, ensuring we properly identify, assess and mitigate significant corporate risks.

We complete a Corporate Risk refresh every two years, most recently in December 2018. We leverage a risk universe aimed at covering all risk categories, including ESG risks (see our materiality matrix on [page 22](#)) and the results of the previous assessment. Our two-year cycle is aimed at identifying, assessing, mitigating and reporting corporate risks, under the oversight of the Risk Committee, a sub-committee of the senior executive team, chaired by our CEO. In FY19, we held eight workshops, with the support of an independent third-party, to collect the feedback from more than 60 senior managers. Their feedback helped us to identify and assess top corporate risks.



FY19 RISK MONITORING

 RAW MATERIAL SHORTAGE	 GEOPOLITICS
 CLIENT SERVICE	 LAW & REGULATION COMPLIANCE
 MARGIN EROSION	 ACQUISITION INTEGRATION
 CYBER SECURITY	 TALENT
 THIRD PARTY	 ORGANIC GROWTH
 SOLUTION INNOVATION	 IP STRATEGY

The Enterprise Risk Management function reports to the Finance Audit and Risk Committee (FARC) on a yearly basis, providing an update on risk evolution and trends, and on the execution of the risk mitigation strategies. The FARC is a Board level committee chaired by a Board member. It assists the Board in fulfilling its oversight responsibilities relating to risk management, as stated in the Regulations of the Board of Directors. The FARC approves the ERM governance and methodology; it reviews and assesses the effectiveness of the company's enterprise-wide risk assessment processes and recommends improvements where appropriate.



BUSINESS CONTINUITY

Firmenich Business Continuity Management (BCM) is a process that enables us to prevent, identify and plan to minimize the impact of risks that could affect our business, operations and manufacturing plants. BCM provides us with the capability to ensure continuity of manufacturing and supplying products to our customers following a disruptive event. We have legal and moral responsibilities for our employees and clients, and recognize the importance of this process in ensuring that we can continue our core activities after a disruption to meet customer expectations and protect our reputation as a global leader in the Fragrance & Flavor Industry.

As part of our BCM continuous improvement lifecycle, we are upgrading our existing global processes to seek alignment with ISO 22301 standards.

The Firmenich BCM system enables us to effectively identify, assess, mitigate and monitor threats and risks, such as:

- Supplier interruptions
- Fires and explosions
- Natural events
- Societal risks
- IT interruptions
- Geopolitical matters
- Regulatory and trade compliance issues

Our management systems and prevention plans are periodically audited by external auditors (OHSAS/ISO), external risk partners (insurers), local authorities, and internal auditors.



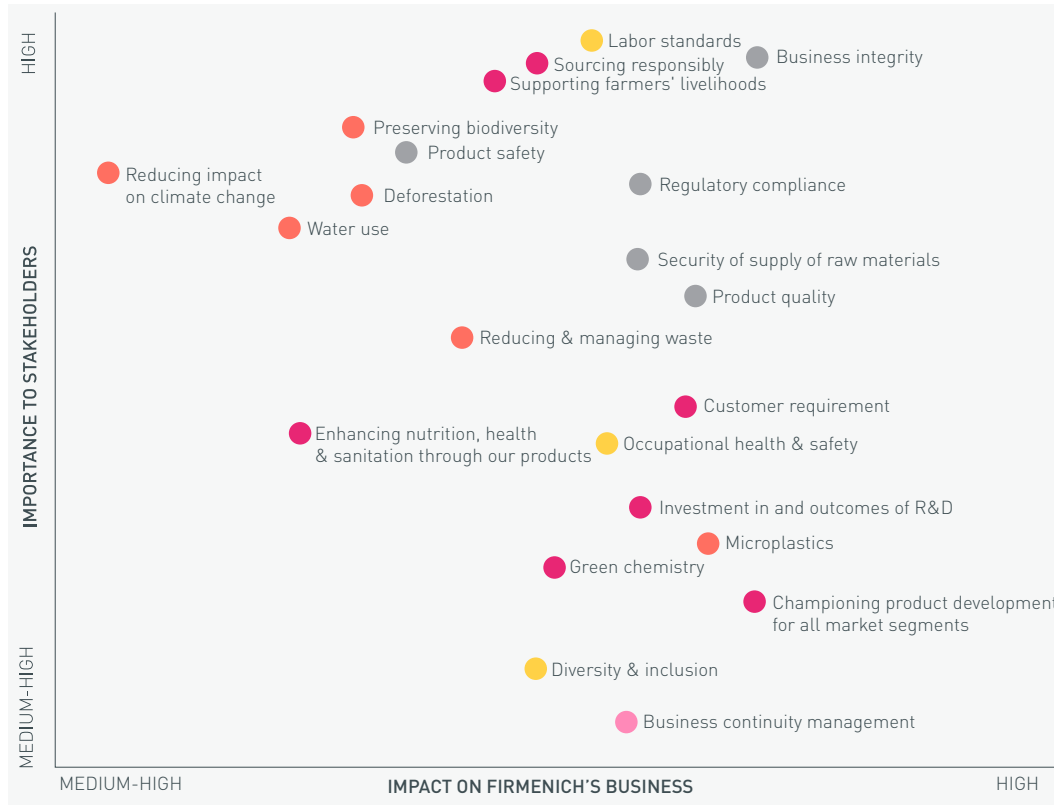
OUR APPROACH TO SUSTAINABILITY

MATERIALITY

GRI 102-46, 102-47

As business and sustainability trends evolve, we must focus on and address the right priorities. To ensure this happens, last year we conducted a full review of our materiality analysis and have worked on integrating them during FY19, while also developing our future sustainability strategy.

Our 2018 materiality analysis has been instrumental in focusing our strategy on the right priorities and defining the content of our reports. The analysis was conducted by an independent third party. It engaged colleagues across the company, including a Board member, and also involved external stakeholders including partners and customers. It was reviewed and validated by the entire senior management team. A summary of the materiality process, including an overview of the stakeholders who were engaged and key topics and concerns, is available in our materiality report at www.firmenich.com.



HIGH	■
LOW	HIGH

Our Performance and Sustainability Report covers material issues rated as 'high'. Issues rated 'medium' and 'low' are not necessarily covered in this report but are closely monitored. Last year, we were unable to report on newly identified issues, but are now able to report on these in full for FY19.

Although our material issues remain the same as last year, we have reclassified them in line with the structure of this year's report. They are grouped in five main sections.

- Our approach to sustainability
- Impact-driven innovation
- Our environmental leadership
- People
- Running a responsible business

In addition to defining the content of this report, our materiality assessment has guided the development of our future sustainability strategy and informed the target setting for our new cycle of goals.



OUR APPROACH TO SUSTAINABILITY

OUR STRATEGY

GRI 102-14

Our 2015–2020 *Pathways to Positive* strategy guides our business. Focusing on responsible growth, it cuts across Perfumery, Ingredients and Flavors and is supported by our new purpose For Good, Naturally.

Pathways to Positive is organized around three pillars: Governance, Growth and Green – our 3Gs. These provide a strong basis for action, engagement and reporting while also making our sustainability work more accessible to our colleagues. Our 2020 goals reflect the three pillars and cover all business functions, from research and development (R&D) to operations. Responsibility for the execution of our sustainability strategy lies within each business function.

FY19 was a transition year for our corporate and sustainability strategy as we are approaching the final phase of our 2015-2020 strategic cycle. We have continued to integrate sustainability across the Firmenich group, by involving many colleagues in the design and operationalization of our model, but have also focused on delivering our 2020 goals.

Our short-term strategy focuses on addressing current gaps in our processes and systems, to ensure the successful achievement of our 2020 goals. For example, we are increasing training efforts across the company to make sure that everybody at Firmenich can contribute to sustainability. Our medium-term strategy is to shape our future roadmap, taking into account climate urgency as well as conscious consumers' expectations for healthy and responsible products. Finally, our long-term strategy is driven by our new vision: to become the most responsible family-company operating with an inclusive capitalism business model.

Day to day, our focus is on delivering technology and innovation to grow our business and meet the needs of our customers, whilst also ensuring that our growth is equitable and that we leave no one behind. Inclusive capitalism is becoming the lighthouse for our company and sustainability strategy, providing alignment between our business and our impact on people and the planet.

With this approach in mind, we are transforming our ways of working, focusing on the following priorities:

- **Sustainability governance**

We have stepped up our sustainability governance by creating new collaboration mechanisms, such as the Sustainability Exchange and dedicated governance on biodiversity and human rights.

- **Sustainability reporting and disclosure**

With a view to increase comparability and transparency as well as improve impact measurement, this year, we have gone beyond the GRI "Core option".

- **Integration of opportunities for positive impact**

In addition to risks, we are now focusing on opportunities for all our employees, for the communities where we operate and for our customers and consumers.

As we work to define our future strategy, aligning our business functions' strategies and goals with sustainability is an ongoing focus. Our short, medium and long-term strategies are all guided by the UN Sustainable Development Goals and we will ensure that our material issues are integrated into our strategies at every step.



OUR APPROACH TO SUSTAINABILITY

VALUE CHAIN

GRI 102-9



UPSTREAM

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 (see [page 42](#)). Our suppliers are requested to adhere to our Code of Conduct and our Social Accountability Standard in addition to filling out a questionnaire covering social and environmental topics. We also encourage suppliers

to report on their environmental performance through the CDP supply chain program (see [page 62](#)).

OUR ACTIVITIES

Research and development (R&D) as well as creation activities are at the heart of our business. Our sustainability impacts in relation to these activities are managed through different channels. While we apply green chemistry principles (see [page 40](#)) to reduce the environmental footprint of production processes and ingredients, we

use the EcoScent Compass™ tool (see [page 47](#)) to create fragrances that have a lower environmental footprint and positive social impact. Regarding our operations, all of our manufacturing sites are audited by an independent third-party as part of the Sedex assessments which include environmental and social criteria. Sustainability is also embedded in our sales and marketing activities through our Consumer Insights Program (see our Purpose Magazine), which provides insights about conscious consumers who are looking for more transparency and sustainable products.

DOWNSTREAM

We sell our products to a wide range of customers from multinationals to small and medium enterprises. We uphold the highest standards of product safety and quality and communicate on our sustainability activities through annual sustainability reporting, collaboration projects and ongoing dialogue, helping them achieve their sustainability goals towards sustainable production and consumption. Our Consumer Insights Program enables us to get unique insights into conscious consumers so we can develop products that meet the needs of consumers while satisfying our customers' requirements and standards.

OUR APPROACH TO SUSTAINABILITY

ENGAGING WITH STAKEHOLDERS

GRI 102-40, 102-42, 102-43, 102-44

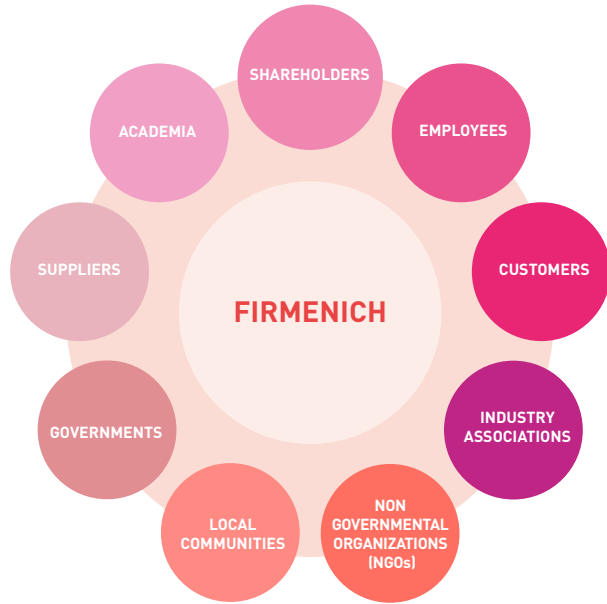


Stakeholder engagement is integral to our ethical approach to doing business. Our inclusive business model is based on constant engagement with all of our stakeholders. As a responsible company, we care about our colleagues, customers, suppliers, and local communities. It is critical that we engage with these stakeholders to deliver products that meet consumers' needs and expectations and also drive a positive impact along the value chain.

We recognize that it is equally important to engage with other stakeholders, such as NGOs, industry associations and governments, to advance our long-term vision and the sustainability agenda. Stakeholder engagement is not only integral to define our business strategy but also key to deliver our sustainability commitments and activities.



We engage with stakeholders in a collaborative spirit and cultivate long-term relationships with all of them.



The stakeholder groups we engage with have been defined using the following criteria:

• VALUES AND GOALS

As a responsible family-owned company with a recently renewed purpose, it is important that our stakeholders are aware of and understand our values and goals.

• EXPERTISE AND OPPORTUNITY FOR LEARNING

We operate in a complex industry and fast-paced environment, covering different fields that require specific expertise. We recognize our knowledge gaps and turn to stakeholders who have the expertise and local knowledge required to address context-specific issues. This is particularly important because we operate in many locations worldwide and reach market segments with very different characteristics. The expertise and learnings we obtain from relevant stakeholder groups drive better decision-making and strengthen our strategy.

• SYSTEMIC APPROACH

As a business-to-business company, we need to work with stakeholders upstream and downstream in the value chain. We believe collective action is crucial to transform systems and therefore work closely with those who can help us do this.

• ABILITY TO GROW OUR BUSINESS WHILE DRIVING POSITIVE IMPACT

In line with our inclusive business approach, we work with stakeholders from different backgrounds and with different experiences. We believe it is critical to leave no one behind and we are working on many initiatives to ensure this does not happen.



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

From informal dialogues to contractual partnerships, our engagement with stakeholders takes many different forms. Engagement is not undertaken specifically as part of the report preparation process, but happens throughout the year. The following table provides more information about: the basis for selecting stakeholder groups; how we engage them; the key topics and concerns raised; and our responses.



STAKEHOLDER GROUPS	WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS AND CONCERNS RAISED	HOW WE RESPOND
Shareholders	As a family-owned company with sustainability central to our Fundamentals, we engage with our shareholders to update them on our Group's sustainability strategy and performance, with a focus on long-term positive impact	Quarterly Board meetings, reporting	Sustainability strategy and vision, sustainability performance, value creation, positive impact, business contribution to the SDGs	<ul style="list-style-type: none"> • Support with sustainability activities • Involvement in sustainability governance mechanisms
Employees	Employees implement our strategy, which is why employee engagement is so important. It helps us gauge employee motivation on a regular basis and find out about potential concerns in a proactive manner. We value employee feedback, so we can improve our systems, processes and ways of working to ultimately grow Firmenich	Intranet, "Tell us how you feel" survey, open-door events, quarterly "Prime meetings", town hall meetings, social media	Business strategy, customers' demand, career development, social benefits, diversity and inclusion, well-being activities, sustainability	<ul style="list-style-type: none"> • Presentation of the results of the survey and measures taken in response • Open-door events: legal and compliance, marketing and digitalization • EDGE certification (see page 82) • Launch of the Global Reward and Well-being policy (see page 74) • Launch of FirMatch, a one-stop-shop solutions platform to encourage employees to develop new skills (see page 75) • Participation of select employees in Firmenich4Society's recognition program enabling them to drive sustainability efforts (see Purpose Magazine)
Suppliers	Engagement with our suppliers is critical to advancing sustainability along the supply chain. We engage with them on various topics, ranging from product safety and quality to environmental issues and human rights, so we can also help them raise the bar in their sustainability performance. In addition, we are keen to support our suppliers in overcoming challenges that may impede their growth or performance	Questionnaires, audits, reporting, social media	Product safety and quality, sustainability requirements, naturals availability	<ul style="list-style-type: none"> • Compliance Self-Assessment Questionnaire (CSAQ) campaign to raise awareness on key topics including environmental and social topics • CDP supply chain questionnaire • Naturals Together meeting fostering exchange and learning on challenges for naturals producers (see page 45)
Local communities	We engage with our local communities wherever we operate and source. Every year, our Community Day is dedicated to engaging and supporting local communities. When it comes to sourcing, we also engage with local communities, more specifically smallholder farmers, all around the world. This engagement is not only important to improve smallholder farmers' livelihoods but also to secure supply of key natural resources	Annual Community Day, ongoing dialogue through our responsible sourcing program	Sustainable agriculture, livelihoods, access to health and education	<ul style="list-style-type: none"> • Community Day to get involved in local projects and charities • Deep Roots program focusing on different pillars depending on the location and needs (see page 43)



STAKEHOLDER GROUPS	WHY WE ENGAGE ?	HOW WE ENGAGE ?	KEY TOPICS AND CONCERNS RAISED	HOW WE RESPOND ?
Customers	While we engage with our customers to fully understand and respond to their needs, we also partner with them on a number of projects that mitigate environmental impact and increase positive social impact. It is important that we deliver on our own objectives and contribute to our customers' goals for collective positive impact	Face-to-face meetings, customer service, partnerships at source, industry meetings and conferences, questionnaires, roundtables, sustainability report, social media	Ethical business practices, product safety and quality, sustainability practices and environmental and social footprint of products, human rights including diversity and inclusion, consumers' preferences and expectations	<ul style="list-style-type: none"> • Partnerships at source on select naturals programs • Ongoing support and dialogue on sustainability, namely through the EcoScent Compass™ (see page 47) • Launch of Conscious Consumer Insight program to understand consumers' behaviors, expectations, beliefs and dilemmas (see Purpose Magazine) • Support with customers targeting emerging markets through research studies (see page 50) • Launch of sustainability report, including a roundtable on sustainability trends and issues
Industry associations	We engage with the International Fragrance Association (IFRA) and the International Organization of the Flavors Industry (IOFI), to keep abreast of the evolving regulatory landscape, and engage at a national level with the Swiss Groupement des Entreprises Multinationales (GEM) for advocacy on human rights. This is an opportunity to learn and exchange with industry peers and to shape a sector transformation	Meetings, conferences	Industry regulation and industry trends, sustainability topics such as biodiversity, responsible sourcing, human rights	<ul style="list-style-type: none"> • Contribute to the knowledge and definition of standards on various topics through participation in technical working groups. For example, in FY19, we participated in the edition of standards for IFRA's 49th amendment (see page 39) • Support the counter proposal of the Swiss Responsible Business Initiative (see page 78)
NGOs and other non-profit entities	We engage with NGOs in different capacities. While part of our engagement with them is at a global level, we also engage with them locally, for example in projects undertaken as part of our Deep Roots program	Ongoing dialogue, face-to-face meetings, position on a committee, collaborative projects, partnerships, social media	Value creation, environmental and social impact, engagement with rights-holders	<ul style="list-style-type: none"> • Global and local engagement with both environmental and social NGOs (see page 34 and 35) • Consultation on science-based targets • Implementation on the ground through trainings on a variety of topics, for example, financial literacy, sustainable agriculture (see page 43)



STAKEHOLDER GROUPS	WHY WE ENGAGE ?	HOW WE ENGAGE ?	KEY TOPICS AND CONCERNS RAISED	HOW WE RESPOND ?
Governments and multilateral organizations	Through the Toilet Board Coalition, we engage with governments because they are critical to encourage adoption of innovative sanitation technologies and solutions; and with multilateral organizations because they can play an important role in introducing innovative financial instruments for sanitation	Ongoing dialogue, meetings, advocacy	Business contribution to the SDGs, Nagoya Protocol including access to benefit-sharing regulations, Firmenich's approach to biodiversity and commitment, Firmenich's approach to human rights and commitment	<ul style="list-style-type: none"> • Hosted the Swiss government to discuss the implementation of the Nagoya Protocol regulation • Participated in meetings to discuss how to improve the sustainability of the juice sector (see page 46) • Meeting with the World Bank on the role of business and the SDGs • Connect with local governments, for example the Pune Municipality in India in the context of their smart city program including sanitation
Academia	Engagement with academia is critical to our research and development and innovation. We also engage with academia to deepen our understanding of the latest thinking and connect with the new generation of leaders	R&D projects and partnerships, case studies, lectures	Science, digitalization, leadership, inclusive growth, business contribution to the SDGs, positive social impact	<ul style="list-style-type: none"> • Partnership with EPFL and launch of the D-Lab to lead creation by leveraging the digital revolution • Public speaking at INSEAD on business leadership and sustainability • Development of a case study with the Wharton School of Pennsylvania (see page 52)



03



IMPACT DRIVEN
INNOVATION



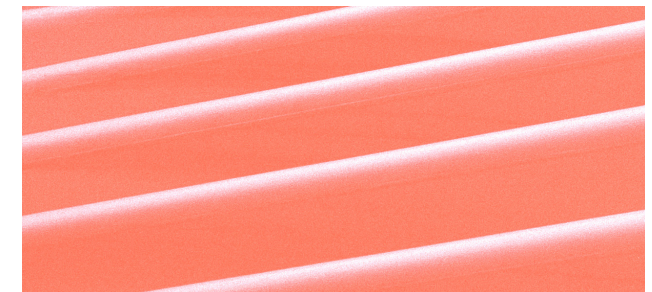
IMPACT DRIVEN INNOVATION

2020 GOAL	FY19 PROGRESS
Improve quality of life through nutrition, hygiene and sanitation	<ul style="list-style-type: none"> ● ● ● Launch of Mobile Toilets for Her in Pune, India ● ● ● Developing new taste solutions for innovative nutritious products ● ● ● 215,000 metric tonnes of sugar removed or avoided from consumers' diet
Deliver malodor control systems as home care products for base of pyramid consumers	<ul style="list-style-type: none"> ● ● ● Products commercialized in Bangladesh and soon in South Africa
Expand the innovative base of pyramid consumer insight program to Africa	<ul style="list-style-type: none"> ● ● ● Consumer insights conducted in Africa, including Kenya and South Africa ● ● ● 5,600 people interviewed for quantitative and qualitative studies
Collaborate with at least ten leading academic institutions on sustainability innovation	<ul style="list-style-type: none"> ● ● ● Conducted collaborative research, teaching and mentoring with ten leading academic institutions
Develop sustainability projects with 50 customers globally	<ul style="list-style-type: none"> ● ● ● Developed projects with over 100 customers ranging from multinationals to smaller companies, covering perfumery and flavors
Develop sustainable and cost-effective flavor and fragrance ingredients and technologies	<ul style="list-style-type: none"> ● ● ● New chemical process of Paradisone®, improving its environmental profile ● ● ● Z11 HD using renewable sources of sugar as raw material and further chemical transformation
Demonstrate leadership in environmental assessment of our ingredients and technologies	<ul style="list-style-type: none"> ● ● ● New GreenGate embracing the overall degradability potential of our ingredients and strict environmental safety criteria ● ● ● Analytical results proving that the polymeric materials used to encapsulate fragrances are too hydrophilic to serve as vectors favoring the bioaccumulation of persistent toxic materials such as PCBs in the environment
Accelerate go-to-market through innovation partnership	<ul style="list-style-type: none"> ● ● ● Introduction of new «smart protein» solutions for great-tasting plant-based foods and beverages
Build 40 responsible sourcing projects with smallholder farmers communities	<ul style="list-style-type: none"> ● ● ● 31 responsible sourcing projects at source have been implemented

In line with our Pathways to Positive strategy and our purpose For Good, Naturally, we focus on driving innovation that generates a positive impact for our customers, suppliers and the communities we operate in. To this end, we work in partnerships with many organizations that help us scale up impact, and pay particular attention to integration of sustainability into our products and across the company, covering the whole value chain from sourcing to research and development to customers and low-income consumers.

Progress key

- ● ● More to do
- ● ● On track
- ● ● Met





IMPACT DRIVEN INNOVATION

WORKING IN PARTNERSHIPS

GRI 102-12, 102-13



Firmenich has a long legacy of sustainability collaboration and partnerships. We strongly believe that partnerships between private and public organizations, as well as civil society, can scale up positive impact. This is why they are so central to our Pathways to Positive strategy and underpin our inclusive business approach.

The table on the next pages provides an overview of our key strategic partnerships and explains in brief why we engage and what contribution we make.

* Firmenich Grasse is a UEBT member



PARTNER NAME	TYPE	MISSION	OUR CONTRIBUTION	RATIONALE
Advancing SDGs				
CSR Juice	Business-led coalition including NGOs and governments	Vision: a thriving and resilient juice sector creating income stability and prosperity for all stakeholders involved in the global juice value chain from farming to retail	<ul style="list-style-type: none"> • Member since 2014 • Financial support • Part of governance 	<ul style="list-style-type: none"> • Contributing to the transformation of the sustainability of the entire juice value chain from producers to consumers. • Relevant inputs into our citrus strategy and our responsible sourcing strategy
IDH, The Sustainable Trade	Government-funded platform engaging with business	IDH drives the joint design, co-funding and prototyping of new economically viable approaches to realize green and inclusive growth at scale in commodity sectors and sourcing areas	<ul style="list-style-type: none"> • Member of the vanilla initiative since 2015 • Member of the Sustainable Juice Covenant since 2017 • Limited financial support 	<ul style="list-style-type: none"> • Collective commitment and collective action with the Juice Covenant allowing us to scale up our impact beyond our own activities • Learnings on collaboration and new goals motivating teams to work together internally
United Nations Global Compact	United Nations Project and Foundation	Voluntary initiative based on CEO commitments to implement universal sustainability goals Supports companies to: 1. Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption 2. Take strategic actions to advance the UN Sustainable Development Goals	<ul style="list-style-type: none"> • Signatory since 2008 • Financial contribution • Member of the Global Compact Network Switzerland Board since 2011 	<ul style="list-style-type: none"> • The most universal platform connecting us to the UN system • The only partner allowing us to take action in Switzerland, as well as globally • Opportunity to be part of a global awareness raising movement • Engagement in specific topics aligned with our company strategy • Partnership with the Swiss Agency for Development • Creation of a documentary with leading responsible Swiss companies
World Business Council for Sustainable Development (WBCSD)	Business-led coalition	CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world <ul style="list-style-type: none"> • Mission: accelerate the transition to a sustainable world by making more sustainable businesses more successful • Vision: create a world where more than nine billion people are all living well and within the boundaries of our planet, by 2050 	<ul style="list-style-type: none"> • Membership since 2014 • Chair of the Lifestyles Cluster from 2015-2018 • Sponsor of the Leading Women Award in 2018 	<ul style="list-style-type: none"> • Connecting with some of the most responsible companies in the world, from all sectors, at CEO level is inspiring and helps us challenge our approaches and remain in a constant improvement mindset • Opportunity to find innovative synergies with companies beyond our industry • Take the lead on material topics such as the Future of Work



PARTNER NAME	TYPE	MISSION	OUR CONTRIBUTION	RATIONALE
Social impact				
Archipel & Co	Social impact consultancy based on a network of multi- cultural and multi- sector partners	The consultancy focuses on design, test and scale of business solutions to social challenges including social innovation and market-based approaches to social issues, collaborative economy and social impact, stakeholder and community relations	<ul style="list-style-type: none"> • Collaboration since 2016 through the Naandi Foundation on the Shared Senses Program • Operational partner on Base of Pyramid (BoP) consumers' intelligence 	<ul style="list-style-type: none"> • Our leading partner in social innovation • On the ground operationalization of our vision to give a voice to low-income consumers in designing solutions for access to safe sanitation • Engaging with many colleagues and a diverse team of social impact experts
Global Alliance for Improved Nutrition (GAIN)	International organization	GAIN aims at making healthier food choices more affordable, more available, and more desirable. GAIN's purpose is to improve nutrition outcomes by improving the consumption of nutritious and safe food for all people, especially the most vulnerable	<ul style="list-style-type: none"> • Collaboration since 2009 with representative on Firmenich Sustainability Council • Technical assistance on taste solutions 	<ul style="list-style-type: none"> • Aligned with our corporate purpose of creating positive emotions • Allowing our taste expertise to make nutritious affordable food taste delicious. • Interesting way to connect with the nutrition community and with low-income communities to better understand needs and opportunities for innovation and collaboration
Saraplast	India's first professionally scaled portable sanitation and waste management company	<ul style="list-style-type: none"> • Vision: a world where the basic human right to health and sanitation, India's first professionally scaled portable sanitation and waste management company becomes reality for all • Mission: supply and service portable restrooms from the most visited to the remotest areas of the globe and to constantly improve on it. 3S introduced exclusive women's public restroom known as "श्री" (toilet integration) 	<ul style="list-style-type: none"> • CSR contribution for women's toilets in Pune in 2018 • Collaboration through the Toilet Board coalition since 2017 	<ul style="list-style-type: none"> • Strong staff engagement for our team in India who designed this partnership allowing us to strategically invest our 2% CSR tax • Aligned with our vision of delivering women empowerment solutions and our commitment to contribute to access to safe and clean sanitation • Learning from social entrepreneurship in urban environments



PARTNER NAME	TYPE	MISSION	OUR CONTRIBUTION	RATIONALE
Social impact				
The Bill & Melinda Gates Foundation	Philanthropic Foundation	Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty	<ul style="list-style-type: none"> • Grantee since 2015 	<p>A very unique partnership starting around science and discovery in malodor control which kicked off our journey towards improving access to clean and safe toilets</p> <ul style="list-style-type: none"> • Focusing on the power of olfactive solutions to drive behavior change • Fully aligned with our company purpose • Evolution from a grantee to a strategic partner
Toilet Board Coalition (TBC)	Business-led coalition and platform including NGOs and governments	The coalition is bringing pioneering business solutions to address universal access to sanitation (Sustainable Development Goal 6.2). The ambition is to transform sanitation systems from an unaffordable public cost to an untapped business opportunity	<ul style="list-style-type: none"> • Founding member since 2014 • Financial support • Staff time volunteering • Part of governance 	<ul style="list-style-type: none"> • Aligned with our positive emotions purpose • Facilitating behavior change towards clean and safe access to sanitation • Connection with sanipreneurs and low income market segments to deliver our malodor control technology • Positively impact SDG 6



PARTNER NAME	TYPE	MISSION	OUR CONTRIBUTION	RATIONALE
Environmental impact				
Livelihoods Funds	Business-led impact finance mechanisms	The Livelihoods Funds are supported by private companies who believe in working and learning together to effect change The Livelihoods funds are about practical, efficient and replicable solutions to build more resilient communities and ecosystems, and sustainable businesses	<ul style="list-style-type: none"> • 2011 Investment in first carbon fund • 2015 Investment in Fund for Family Farming • 2017 Investment in second carbon fund • Part of Investment Committees and Boards 	<ul style="list-style-type: none"> • Adding value to our climate change strategy and sourcing strategy • Allowing our CFO to drive change and connect carbon strategies with our core business • Exchange and joint learning with like-minded companies • Contributing to a global awareness raising movement on climate change with participation in global events such as COP
Quantis	Sustainability scientists and experts	The consultancy guides top organizations to define, shape and implement intelligent environmental sustainability solutions. They deliver strategies, metrics, tools and communications	<ul style="list-style-type: none"> • Collaboration since 2011 	<ul style="list-style-type: none"> • Expertise and rigor in the development of the Ingredients Index and associated environmental indicators • Follow up collaboration on the environmental pillar of the EcoScent Compass™ tool
Union for Bio Ethical Trade (UEBT)	Non-profit association	<ul style="list-style-type: none"> • Vision: companies' innovation and sourcing of natural ingredients contribute to a world in which people and biodiversity thrive • Mission: support and validate best practices of companies committed to ethical sourcing and innovation of natural ingredients for the benefit of people and biodiversity 	Membership since 2014	<ul style="list-style-type: none"> • Useful methodology on risk management of our natural sourcing • Learning opportunities on biodiversity regulations and biodiversity protection practices • Facilitation of experts dialogues on specific issues • Rigor in the validation process contributed to continuous improvement and teams' motivation • Learning opportunities at annual conferences



PARTNER NAME	TYPE	MISSION	OUR CONTRIBUTION	RATIONALE
Reporting partners				
CDP	Non-profit charity	CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. CDP has built the most comprehensive collection of self-reported environmental data in the world, driving unprecedented levels of environmental disclosure	<ul style="list-style-type: none"> • Triple A company in 2018 • Reporting since 2009 • Membership 	<ul style="list-style-type: none"> • The most rigorous rating agency allowing us to receive independent feedback on our environmental performance and challenging us to rise to the top of the world performers in environment management • Bringing method and process in our data collection and improvement strategy, going deeper in our engagement every year adding matrixes around forest and supply chain
ECOVADIS	Sustainability rating agency	<p>Ecovadis' scorecards provide detailed insight into environmental, social and ethical risks across 198 industries and 155 countries.</p> <ul style="list-style-type: none"> • Vision: a global marketplace where sustainability intelligence influences every business decision – improving economies, people's lives and the planet we all depend on • Mission: provide the world's most-trusted sustainability ratings, enabling all businesses to reduce risk, drive performance, and improve environmental and social outcomes 	Reporting since 2009 with 82/100 rating in 2018	<ul style="list-style-type: none"> • One of the most holistic rating agencies allowing us to structure our reporting • Involving Firmenich teams across all our divisions and driving constant improvement and motivation • Allowing for comparison of our performance within our industry and beyond • Bringing rigor to data collection • Allowing for engagement with companies starting their journey through participation in Ecovadis events
EDGE Certification	External validation partner	EDGE Certification is the leading global assessment methodology and business certification standard for gender equality. It has been designed to help organizations not only to create an optimal workplace for women and men, but also benefit from it	Global certification received in December 2018	<ul style="list-style-type: none"> • EDGE Certification stands for Economic Dividends for Gender Equality Certification and is distinguished by its rigor and focus on business impact • Provides insights into good practices and areas for improvement and feeds into our Global Action Plan • Aligned with our diversity and inclusion strategy • Helps us contribute to SDG 5 on gender equality
Sedex	Membership association	<p>Sedex is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries</p> <p>Sedex brings together many kinds of different data, standards and certifications, to drive continuous improvement across value chains</p>	Membership since 2009	<ul style="list-style-type: none"> • Helps us manage our performance around labor rights, health & safety, the environment and business ethics, • Provides access to performance of suppliers registered on the platform



IMPACT DRIVEN INNOVATION

DRIVING OUR BUSINESS THROUGH R&D

We place innovation at the heart of our business, which is why we have invested a large percentage of our turnover in research and development for many years. As we strive to develop breakthrough technologies that can address key societal and environmental challenges, we are looking beyond investment at the outcomes of our research and development activities to ensure positive impact.

FROM DISCOVERY OF NEW INGREDIENTS TO CONTINUOUS IMPROVEMENT

Discovery and development of ingredients

NEW GREENGATE

Since 2010, we have used an internal selection process, GreenGate, to anticipate the environmental impact of our future ingredients and select those to be developed for our perfumery palette. The selection process initially focused exclusively on biodegradation. Today, thanks to advances in our understanding of the environmental fate and effect of our ingredients, we have expanded this selection step, embracing the overall degradability potential of our ingredients and including strict environmental safety criteria. Still, degradation in the environment is our primary objective. This evolution of the GreenGate process is now

in force with an established new workflow. It includes a periodical review of the pipeline of new ingredients. Investigation of relevant degradation routes other than using microorganisms is conducted on a case by case basis, based on environmental relevance and significance. Specific models to assess the distribution of our ingredients in the environment are reviewed and developed by R&D and the Legal & Compliance product safety team. With this evolution, we maintain our leadership in ingredient sustainability and remain ahead of regulations and competitors.

AQUAVERT™

During the past year, we launched a breakthrough innovation ingredient, Aquavert™, designed to enhance refreshment. Over decades our R&D division has built up expertise in developing natural flavor ingredients in ways that ensure their sustainable supply. Aquavert™ is the most recent addition and made from vegetable oil, naturally.



Z-11 HIGH-DEFINITION

Aiming to enrich our perfumery palette with sustainable ingredients, we continuously work to discover new ingredients from renewable feedstock. Last year we launched to market a highly environmentally friendly variant of our iconic Z-11, Firmenich's third fermentation-based perfumery ingredient. Now we are introducing a high-definition version of this ingredient into our own palette: Z-11 HD. Consisting of a single olfactory active isomer, the HD version is obtained through a chemical process relying both on white biotechnology using a renewable source of sugar as raw material, as well as further chemical transformations.

Participating in our industry continuous improvement process for safe use of ingredients

CONTRIBUTING TO OUR INDUSTRY COLLECTIVE ACTION

Firmenich actively participates in international committees with others in the fragrance and flavor industry. In particular, we play 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: R&D representative as Chairman of the IOFI Working group on method of analysis; Vice-Chairman of the IFRA Analytical Working Group; Vice-Chairman of the

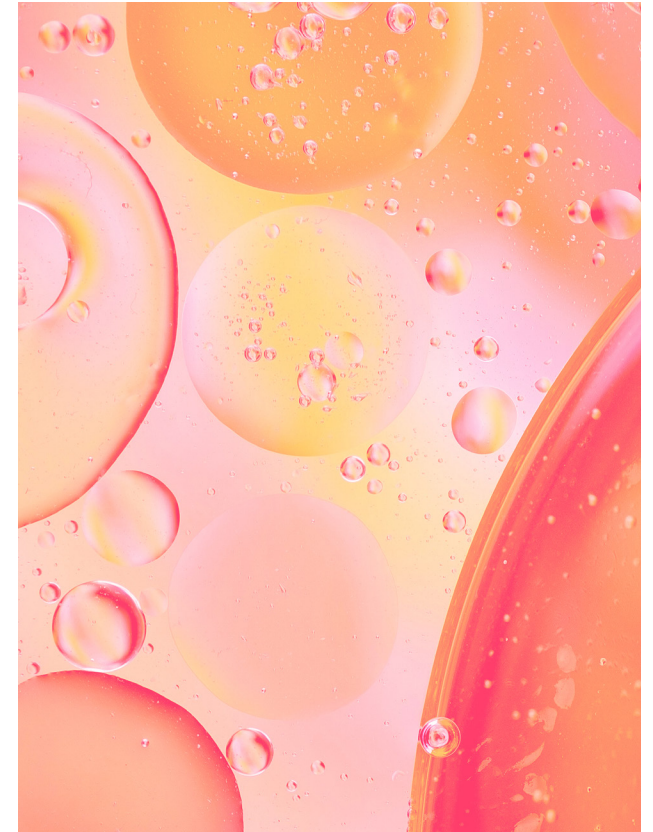
IFRA Natural Complex Substances Task Force and member of the one from IOFI; member of the IFRA Risk Management Task Force. We share our knowledge and data to ensure edited standards reflect real ingredients' characteristics, and we invest in method development and assessment.

As a member of the Risk Management Task Force of IFRA, we have been involved in the preparation of the 49th amendment of IFRA standards, which aims at supporting the safe use of fragrance ingredients. The amendment went through the Research Institute for Fragrance Material (RIFM) safety assessment program and reflects the introduction of several improvements of the risk assessment methodology. Additionally, we have initiated the development of a new innovative analytical technique that will enhance our ability to accurately quantify molecules in our ingredients, simultaneously addressing current needs and anticipating the future expansion of the regulated molecules landscape. Moving forward, we will participate in a standards edition for the 50th amendment of IFRA and continue to follow the work on the norm for the quantification of potential allergens as well as other regulated substances.

RESEARCH INTO ALTERNATIVES TO ANIMAL TESTING

Actively pursuing the replacement of animal testing, we are researching into new technologies to avoid testing on animals, while providing factual data on environmental assessment. For example, we contributed to the development of a model to replace fish in the assessment of the bioaccumulation potential of chemicals in aquatic organisms. We are pro-

active 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.





BIODEGRADATION

In 2019 we continued actively assessing the biodegradability of high-potential future ingredients. Our continued efforts towards the development of environmentally-friendly new ingredients have led us to investigate in-depth how rapidly natural mechanisms can transform materials into readily degradable intermediates under environmental conditions. The findings were established for one of our future ingredients from the woody olfactive family. The results meet the strictest criteria on environmental endpoints set out by the latest EU regulations.

Focusing on continuous improvement in manufacturing

GREEN CHEMISTRY

At Firmenich, we apply green chemistry principles to all of our chemical transformations. We have placed particular focus on principle 9, covering catalysis. As a means of achieving lower energy requirements, reduced waste and other benefits, this principle is particularly important because it touches on several other principles of green chemistry.

2018 marked the 20-year anniversary of our first precious metal homogenous catalysis process, used in the synthesis towards our iconic Paradisone®. This milestone triggered the expansion of the homogenous catalysis domain in Firmenich. Today, homogenous catalysis is applied across all our main olfactory families, including muguet,

sandalwood, green leaf and the rose ketones. Over the past 20 years, the Paradisone® chemical process has undergone many new iterations. The latest, transferred into production this year, uses new process conditions, which allow for further improvements in its environmental footprint. This year, we moved the exercise of exchanging stoichiometric reagents for homogenous catalysts a step further by recycling the latter. This comes in addition to our recycling efforts carried out for our heterogenous catalysts, for which we have a long-standing track record.

Sustainable delivery systems

Over the past decade, the use of delivery systems has been generalized across our industry for technologies that are used to enhance the impact and the lastingness of perfumes in laundry care. Perfume delivery systems therefore have a positive impact on our environmental footprint by improving the performance of perfumery ingredients under rinse-off conditions. In addition, our long term continuous improvement program has led to an enhanced consumer experience while enabling far lower dosages of perfume and polymer to be used in finished products compared to a decade ago. In order to further enhance the sustainability of our industry, the current challenge is to design delivery systems based exclusively on biodegradable building blocks derived from renewable feedstocks and assembled by soft, bio-inspired chemistries (see [page 67](#) for more information).

GREEN CHEMISTRY PRINCIPLES

01. Waste prevention
02. Atom economy
03. Less hazardous synthesis
04. Design benign chemicals
05. Benign solvents and auxiliaries
06. Design for energy efficiency
07. Use of renewable feedstocks
08. Reduce derivatives
09. Catalysis
10. Design for degradation
11. Real-time analysis for pollution prevention
12. Inherently benign chemistry for accident prevention



IMPROVING WELL-BEING

Fragrance with emotional benefits

At Firmenich we are dedicated to create good scents that boost positive emotions, for an enhanced quality of life. Our research on the cognitive and emotional benefits of flavors and fragrances enables us today to create innovative fragrances that not only smell great but can also make us feel great. Using a state of the art fMRI neuroimaging methodology, combined with Firmenich proprietary odor delivery systems, we have identified differentiating brain activation patterns that correspond to specific odor-elicited feelings. This discovery enabled us to better understand consumer feelings in the context of olfaction, and thus create emotion-centric fragrances.

New breakthroughs in malodor reduction

A few years ago, we discovered breakthrough malodor counteracting technologies that eliminate the bad smell associated with toilets and we are now looking at innovating in other areas beyond sanitation. Following collaborations with our customers to bring this solution to market, our DeodEcode® malodor control technology has been officially launched in Bangladesh (see more information on [page 49](#)). In order to protect our malodor control technology, four new provisional patent applications have been filed, with the first patent related to malodor control granted in 2018. Beyond

sanitation, we have also made progress applying this technology in various new areas related to other malodor targets encountered in daily life.

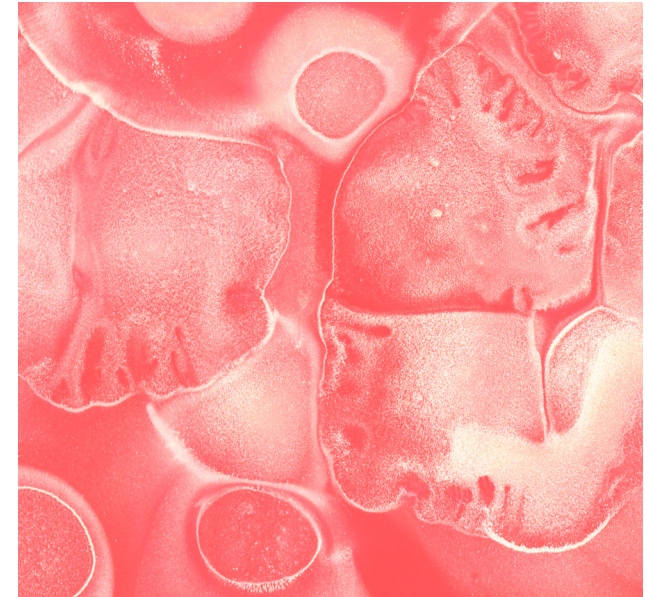
Contributing to healthier food through sugar reduction

With the Senomyx acquisition, we are expanding our revolutionary Receptor-Based Discovery (RBD) program to taste, and have acquired an extensive IP portfolio, breakthrough high-throughput screening capabilities and a natural products library. The acquisition also gives us access to a rich portfolio of taste ingredients and an exciting pipeline. This allows us to tackle issues of social relevance such as:

- Sugar reduction and fighting obesity (see [page 54](#))
- Blocking the bitterness of pharmaceutical ingredients, including some used in pediatrics and helping to facilitate their acceptance by children

Conducting research on smart proteins

With a view to encouraging consumption of alternative proteins that are more sustainable than animal proteins, we are conducting research on smart proteins. By counteracting off tastes or notes and improving the texture of those proteins, we aim to make them more palatable so that more consumers turn to these sustainable options and have access to better nutrition (more information is available in our Purpose Magazine).



Advancing our naturals and clean food solutions

In line with our commitment to natural and traceable experiences, we are further advancing our clean label solutions for Flavors, exploring botanical and fruits extraction, kitchen techniques, and food fermentation that consumers understand. Our innovation hubs in Shanghai, Geneva and Grasse are driving this agenda and enabling us to maintain our focus. We have made progress in various areas (more information is available in our Purpose Magazine).



RESPONSIBLE SOURCING



We want to offer our in-house creators and customers an innovative and comprehensive palette of natural ingredients, while operating a traceable, ethical and sustainable value chain. To ensure this, we are active at source, engaging in three types of approaches – actions at source and privileged partnerships encompassed by our Naturals Together™ program and ingredients innovation.

NATURALS TOGETHER™

*Actions at source:
supporting farming communities*

GRI 413-1

Through this program, we support the sustainable livelihoods of our farming communities that are most at risk. Projects are selected against a comprehensive assessment

of 150 supply chains, using more than 50 criteria, covering economic, social, environmental, supply reliability and compliance aspects. Today, out of the 250 botanicals we source all around the world, we reach 74,000 beneficiaries through 31 projects. What is unique about our approach is how many Firmenich colleagues are physically present at source, working with farmers, suppliers, customers and NGOs to explore new business practices and improve agricultural processes.

Projects are specifically designed for each situation but most of them deal with sustainable agriculture, technological support, social projects and driving inclusive business models, which is a major focus for us. We begin each project with a baseline study that allows us to understand the most important needs of local communities and the main environmental, agricultural and supply challenges. Once our objectives are clear, we partner with experts who are in direct contact with the local population, to constantly ensure the best implementation of the program.



The focus areas detailed on this page are tangible actions that drive positive impact at source with the support of NGO partners taking care of the implementation of projects on the ground. While securing supply of raw materials, these actions also support smallholder farmers' livelihoods.

- **Inclusive business:** we work to ensure each link in the supply chain receives a fair share of the overall value creation in order to gain the commitment of the next generation of farmers
- **Sustainable agriculture and biodiversity:** we support and promote resilient farming to face climate change issues, consider all environmental challenges at source and protect or enrich biodiversity at source
- **Communities' livelihood:** we ensure decent living and working conditions for all participants in the supply chain. We pay specific attention to the living and working conditions of the communities growing or harvesting at the source of our supply chains
- **Technology transfer:** we support our partners with deployment of technology in farming and product transformation to accelerate the resilience and efficiency of our natural supply chains

Others programs that are either confidential or in a pilot phase are not listed in the chart above.

* Beneficiaries: number of persons impacted by the project (most of the time represented by the number of farmers taking part in the program and their close family)

INGREDIENT	COUNTRY	NUMBER OF BENEFICIARIES*	FOCUS OF THE PROGRAM				
			INCLUSIVE BUSINESS	SUSTAINABLE AGRICULTURE	COMMUNITY CARE	TECHNOLOGY TRANSFER	NGO PARTNERS
Patchouli	Indonesia	3,272	X	X	X	X	
Citronella	Indonesia	217	X	X			
Vanilla planifolia	Indonesia	2,076	X	X		X	
Elemi	Philippines	383	X	X			
Jasmine grandiflorum	India	5,050	X	X	X		X
Cardamom	Guatemala	863	X	X	X	X	X
Vetiver	Haiti	160	X		X		
Patchouli	Guatemala	504	X	X			X
Styrax	Honduras	185	X	X			
Peru balsam	El Salvador	38	X	X	X		
Grapefruit	Argentina	26	X	X	X		
Copahu	Brazil	1,044	X	X			X
Mandarin green	Brazil	100	X	X			
Orange	Brazil	1,440	X	X		X	X
Tonka	Brazil	1,380	X	X			X
Acacia gums	Chad	33,000	X	X	X		X
Vanilla planifolia	Madagascar	22,928	X	X	X		X
Ylang	Comoros	862	X	X	X	X	X
Orange flowers	Morocco	509	X		X		X



MAKING EVERY SMALLHOLDER FARM WATER-SECURE

In India, we have a unique collaboration through our Joint-Venture Jasmine Concrete Export Private Limited, a leader in Indian floral extract. They have developed direct sourcing from more than 1,000 Jasmine grandiflorum farmers in Tamil Nadu, through long-term contracts, advance payments, provision of seedlings and technical assistance, with a dedicated local sourcing team. This direct sourcing ensures supply chain traceability and allows the implementation of responsible programs. We are working with our partners on sustainable agriculture improvement, especially the development of environmentally friendly agricultural practices with a focus on ingenious irrigation, because Tamil Nadu is one of the top three water-stressed and exploited states in the country. Water scarcity in our jasmine sourcing area has already led to around 30 percent reduction in jasmine production during 2017-2018, with disastrous consequences on other crops over the past three years. Recognizing the severe vulnerabilities of smallholder farming due to scarcity of water, we created the project SPRING, which integrates water-related intervention as a priority, with the objective to make every smallholder farm water-secure.

We equip farmers, farmer groups and communities with knowledge and training on water harvesting through various methods to ensure their farms have water for irrigation. Through this process, Firmenich and our partners have successfully completed a proof of concept aiming to harvest rain water, store it in sub-surface aquifers and then recover it during times of water scarcity. This approach is also known as Artificial Recharge, Storage and Recovery (ASR).

To date, we have enabled and supported farmers to undertake land remodeling in order to harvest rain water and therefore improve their resilience in the following ways:

- economic security through two successful cropping seasons, for example doubling the annual income (presently even one cropping season is in crisis)
- ability to absorb extreme weather events (drought and flash flood)
- reduced ground water exploitation with increased water table through recharge

Experimenting with different surface and sub-surface water harvesting methods has given us the confidence to expand SPRING to other project locations.



Privileged partnerships: partnering with producers

Suppliers at source are critical to ensuring sustainable practices are implemented on the ground. Through our Naturals Together™ community, we build long-term partnerships with some of the world's best natural producers.

Selected through extensive due diligence, we currently have 18 Naturals Together™ partners, with two new producers having joined us in 2018. Taking a tailored approach when pertinent, we support and invest in their supply chains to ensure high standards of compliance and inclusive practices.



WORLD PERFUMER MEETING AND NATURALS TOGETHER™ IN MALAGA: THE FUTURE OF NATURALS - FROM FARM TO BOTTLE

Since 2014, the Naturals Together™ community has been driving continuous innovation across our diverse network of best-in-class producers, all committed to shaping an extraordinary palette. In April 2019, we brought together 100 perfumers and 17 Naturals Together™ producers for a unique event. During this meeting, producers from as far apart as Guatemala, Haiti, Somaliland and China met creators of Fine Fragrance, Body Home Care and Oral Care, to discuss the future of naturals, from farm to bottle. Through this exchange, perfumers and producers can work together to improve the olfactive qualities and benefits of ingredients and discuss new ideas.

Watch the NaturalsTogether™ videos to find out more about the event in **Malaga** and other **naturals**.

INGREDIENTS INNOVATION: ADVANCING OUR EXCELLENCE IN NATURALS

Located in Grasse, France, 'the cradle of perfumery', our Naturals Center of Excellence combines our leadership in innovation with sustainable sourcing. It processes around 800 tonnes of raw materials each year, sourced from all over the world – utilizing state-of-the-art technologies such as CO₂ extraction. Our Citrus Center of Excellence in Lakeland, Florida, offers a unique portfolio of citrus notes. Its expertise is enhanced by regional creation capabilities in Geneva, Switzerland, São Paulo, Brazil and Shanghai, China.

Expanding our reach, we have developed three strategic partnerships at source to develop high-quality natural specialties: with Jasmine Concrete in Tamil Nadu, India; with Essex Laboratories in Oregon, U.S.; and with Nelixia, in Guatemala, Central America.



SUSTAINABLE JUICE COVENANT

During FY19, we started operationalizing the commitment we took in FY18 under the Sustainable Juice Covenant, which is a global initiative devoted to sustainability in procurement, production and marketing of fruit and vegetable juices, purees and concentrates. Under the umbrella of IDH (the Sustainable Trade Initiative) the Sustainable Juice Covenant brings together 16 international beverage producers and suppliers committed to increasing the relative share of sustainably sourced fruit and vegetable juices, purees and their concentrates continuously, with the goal of reaching 100% by 2030.

In FY19 we made important progress towards making this commitment a reality with the following actions:

- Creation of dedicated, cross-divisional project governance bringing together sustainability and purchasing colleagues
- In close cooperation with IDH, definition of the scope and calculation methodology underlying the monitoring and annual verification of progresses made
- Review and assessment of current suppliers' base against the sustainability criteria defined by

the Covenant (sustainability certification at least equivalent to SAI/FSA Bronze – based on 3rd party auditing – at farm level, and ETI/SMETA/SA-8000 certified industry partners at processing level)

- Setting up processes to increase the share of our purchases in sustainably sourced essential oils and juices

Future work will focus on further transforming our purchasing processes and suppliers' base to speed up progress, as well as connecting the work we conduct under the Sustainable Juice Covenant with other components of our Sustainability Strategy and Responsible Sourcing programs. Regarding responsible business in the juice value chain, this year we have renewed our commitment to the CSR Juice platform and have been elected for the second time in the Juice CSR Platform Steering Committee.



THE FOOTPRINT OF FRAGRANCES

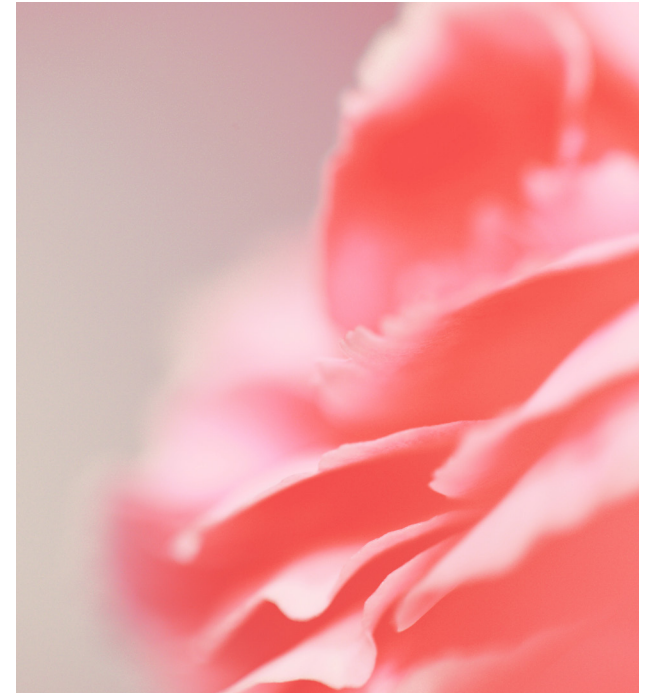
Consumers are increasingly concerned about ingredients and product sustainability. Our innovative EcoScent Compass™ tool gives them the information and the transparency they now ask for to make their purchasing decisions. Launched in June 2018, at the World Perfumery Congress in Nice, France, EcoScent Compass™ is the first tool in our industry to holistically measure fragrance sustainability across three pillars: green properties, environmental footprint and social impact. As an innovative, impact-driven tool it makes sustainability operational and tangible at fragrance level in ways that can be immediately measured and improved.

The EcoScent Compass™ approach is fully aligned with our purpose and our ambition to lead the industry in developing fragrances that are designed responsibly and naturally. It provides a way to enhance consumer trust and delight while protecting people and the planet. We aim to continue our investment in the tool as we are convinced it provides a game-changing approach with the potential to help us reach our goals and commitments, support the SDGs, and become a standard across our industry.

ECOSCENT COMPASS™ AND PERFUMERS

Our perfumers have rapidly embraced this new user-friendly tool, becoming strong ambassadors for eco-creation. EcoScent Compass™ is now firmly embedded into our perfumer creation system, broadening horizons for creativity.

How does the approach work? For any new submission, perfumers have the EcoScent Compass™ scores of their first creation at their fingertips. If the scores are satisfactory, they confirm with the client that the new submission has a positive environmental and social impact as well as meeting their safety and claims requirements. If the scores are not satisfactory, the perfumer receives a detailed diagnostic of the ingredients' contributions and can identify what to change, while still respecting the creative and olfactive intention within required safety, pricing and consumer claims. There have already been many cases in which we have used this information to improve the environmental scores of our clients' new creations. It is highly motivating for perfumers to see that they can improve the sustainability profile of their fragrances in this way.





ECOSCENT COMPASS™ AND CUSTOMERS

We have now shared the EcoScent Compass™ methodology with all our perfumery customers in Body & Home Care and Fine Fragrance across all regions, holding 78 client meetings.

Our perfumery customers have responded very positively to EcoScent Compass™ and expressed their desire to see it become an industry standard in the future. In particular, they praise the rigor and comprehensiveness of its scoring system.

For many customers, the EcoScent Compass™ has provided the opportunity to engage in a constructive dialogue about the benefits of bringing future fragrance into alignment with sustainability metrics. EcoScent Compass™ enables them and us to take fragrances to another level.

USING ECOSCENT COMPASS™ TO CREATE NEW COLLECTIONS

We have used EcoScent Compass™ to build our Scent for Good Fragrance Collections, which were launched at the American Cleaning Institute (ACI) in Florida in January 2019. These combine our proprietary Conscious Consumers' insights (see more information in our Purpose Magazine) with the EcoScent Compass™ tool to produce 'Scent for Good, Naturally' fragrances that delight customers and build their trust in our sustainability credentials from field to scent. These fragrances, currently available to the US, France, China, Brazil, meet all the many claims expected from conscious consumers, such as 100% natural, natural origin, biodegradable, fragrance made with recognizable and known origin hero ingredients.



WHAT COMES NEXT

Our objective is to further invest in this revolutionary and operational tool to ensure continuous improvement in the sustainable profile of our fragrance creations. Our investment priorities include:

- Providing additional lifecycle assessment (LCA) / Ingredient Index data for about 50 new or existing ingredients, both naturals and molecules that have benefited from process improvement. This will further increase the coverage of our palette which is already high with about 93% of our ingredients with LCA.
- Uploading new enhanced suppliers' data, which can be integrated into calculations of the social scores for Firmenich's and our suppliers' employees. The campaign launched among our suppliers (see [page 95](#) for more information) will feed the EcoScent Compass™ calculations.
- Engaging with external experts to fine-tune our social score methodology and ensure that we continue to lead our industry. We have undertaken a thorough review of our indicators with an expert in product social impact assessment and aim to refine our methodology by the end of 2020.
- Leveraging the power of digital and Artificial Intelligence to create algorithms and pointers for sustainable fragrance creation, building the experience and data amassed over the past years.



REACHING LOW-INCOME CONSUMERS

THE ROLE OF MALODOR CONTROL IN IMPROVING SANITATION

As we work towards enhancing sanitation through our products and championing product development for all market segments, 2019 marked a milestone with our products reaching low-income consumer markets and a grant received from the Bill & Melinda Gates Foundation to better understand the role of odor in driving behavior change in low-income urban settlements.

PRODUCTS TO MARKET

Through collaboration over several years with the Bill & Melinda Gates Foundation, our research and development teams have developed innovative receptor-based malodor counteractant technology that can help address the malodor challenge in the sanitation economy. Together with our customers and partners, we have incorporated this technology into efficient, affordable cleaning and air freshening products for low-income consumers. In FY19, we commercialized these products for the first time, through product launch in Bangladesh. We will continue working with our customers and partners to launch these products in other low-income consumer markets.

CONTEXT AND KEY FIGURES

- 4.5 billion people currently lack access to safe sanitation
- Every year more than 800,000 people in low and middle-income countries die as a result of unsafe sanitation
- Bad smells deter people from using toilets
- Firmenich malodor control technology makes safe sanitation more appealing



GIVING A VOICE TO 5,600 PEOPLE ACROSS AFRICA, CHINA AND INDIA

Consumer insights help us understand people's needs and olfactive preferences. Building on the Shared Senses methodology we developed with Archipel & Co to study low-income consumer preferences, we are now conducting a new study, funded by the Bill & Melinda Gates Foundation. This new study focuses on improving our understanding of how odor can drive behavior change in low-income urban areas in Africa, China and India. Consumers consistently rate malodor and poor cleanliness as barriers to the use of toilets and we want to confirm that our air freshening products can encourage toilet use by making the experience safer and more pleasant. To date, we have interviewed over 5,600 participants across four countries – China, India, Kenya and South Africa – through the new study, which incorporates both quantitative and qualitative research.

4 countries, 10 locations

5,600 respondent interviews

250 interviews from local communities

15 months



**Up to 45%**

of open defecators declared they could start using community toilets if they were clean and did not smell bad

Up to 78%

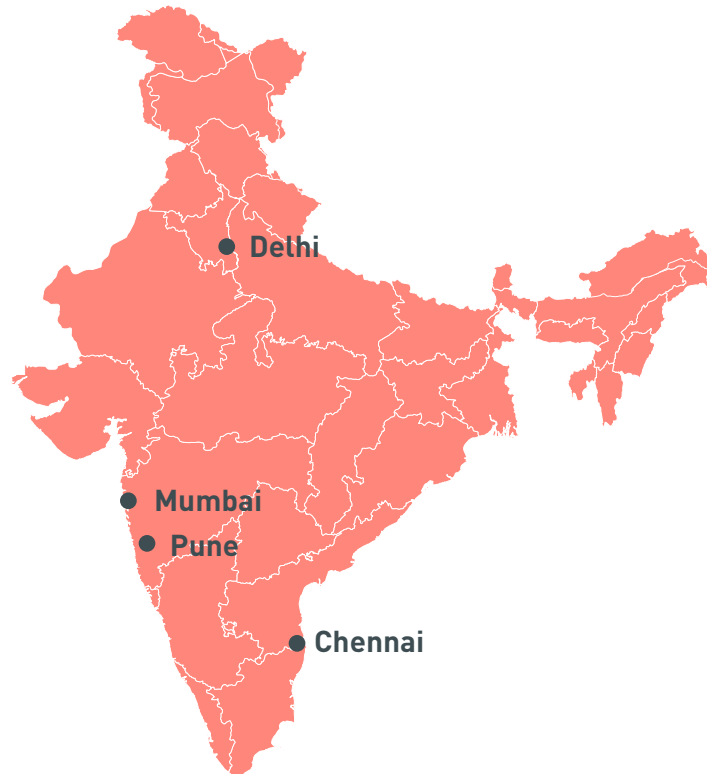
of community toilets users said they would be willing to pay more to access toilets that are clean and do not smell bad

Up to 50%

of households equipped with in-house toilets but who do not use them said they would be ready to start using their toilet if malodor was managed

In India, the aggregated results of the studies run in four Indian cities, demonstrate that the treatment of malodor combined with cleanliness could have a positive impact on behavior change.

We are now aggregating the results of the studies run in other countries and will publish the results in FY20.

**Delhi**

Date: March 2019

Sample: 529 households and 55 caretakers of community toilets

Settlement: Ambedkar Nagar, Ashik Vihar, Bhalaswa, Sultanpur

Pune

Date: September 2018

Sample: 519 households and 52 caretakers of community toilets

Settlement: Bhim, Dias Plot, Yamuna Ramtekadi

Mumbai

Date: November 2018

Sample: 614 households and 52 caretakers of community toilets

Settlement: Mandala

Chennai

Date: January 2019

Sample: 725 households and 58 caretakers of community toilets

Settlement: Chithra, Pallavar, Panagal, Maligai, Ramdas, Thideer



CONTRIBUTION TO SDG 6

In line with our 2020 goal to improve quality of life through nutrition, hygiene and sanitation, we have assessed our contribution to SDG 6 and continued our work with academia. In March 2019, we published our **third case study** with Wharton School's Zicklin Center for Business Ethics Research at the University of Pennsylvania. It explains how businesses can catalyze societal innovation, using our breakthrough technology as an example. This collaboration has already enabled us to imagine our role in the future of sanitation, engage with the next generation of leaders, and show how businesses can advance to SDGs.

ADVOCACY AND ENGAGEMENT

FY19 was a key year for sanitation, during which progress against SDG6 was assessed at a High Level Political Forum in New York, USA. Key events during the year included the Mahatma Gandhi International Sanitation Convention in Delhi, India, and the World Toilet Summit in Mumbai, India. Progress against SDG6 is not on track, but we are still committed to play our part in developing a new marketplace for the sanitation economy. We are supporting the sanitation movement by participating in the Toilet Board Coalition (TBC), a business-led partnership and platform

created in 2014 to address the global sanitation crisis by accelerating the sanitation economy. As a founder and steering committee member of the TBC we are supporting new action and mentoring local entrepreneurs to help them scale-up their operations. We are also involved in a number of other sanitation initiatives and forums.





REINVENTED TOILET EXPO IN CHINA

In November 2018, we participated in the Reinvented Toilet Expo in Beijing, China, which was organized by the Bill & Melinda Gates Foundation. Our CEO and several other colleagues attended the Expo, which brought together private and public-sector leaders who want to accelerate the adoption of innovative sanitation technologies in low-income economies. We displayed our technology at the event and our Global Head of Sustainability shared the findings of our consumer insight study in India and announced the launch of new consumer products in Bangladesh.

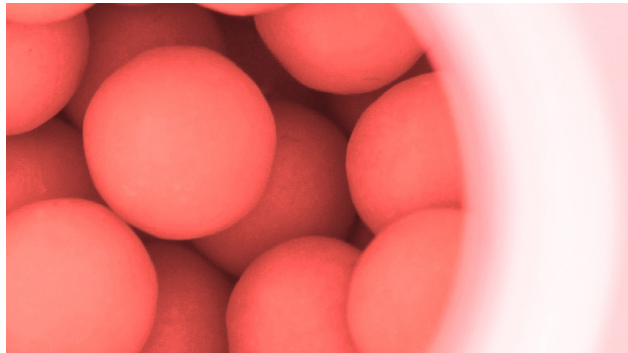
On World Water Day in March and at the World Toilet Summit in August, we celebrated the launch of new Mobile Toilets for Her – providing a safe toilet experience for women in Pune, India. The toilets were developed with Saraplast, a local sanitation entrepreneur, and the Pune Municipality as part of the Swachh Bharat Clean India initiative. Their introduction helped Pune become the first Smart Sanitation city in India.

During FY19, we started working with new TBC member, **LiveClean**, in Zambia. We are currently exploring ways in which the social enterprise can use our technology to improve the toilet experience for people at three peri-rural sites.



CREATING NEW TASTE SOLUTIONS FOR INNOVATIVE NUTRITIOUS PRODUCTS

In line with our inclusive business approach, we want to champion product development for all market segments. We have already worked on nutrition with the Global Alliance for Improved Nutrition (GAIN) and through this collaboration we are advancing our work to reach low-income consumers via our taste solutions. Firmenich Denmark's contribution has been instrumental in this project. GAIN Nordic's nutritious dairy project, Access to Better Dairy, aims to improve the general health of children and mothers by introducing an innovative, locally produced, safe and fortified dairy product on the Ethiopian market. This product is an affordable sachet of fortified yoghurt to be sold to low-income consumers. The yoghurt has been developed in close cooperation with Arla Foods Ingredients and functions as a supplement to consumers' daily nutrition.



In October 2018, we brought together the project partners to explore further collaboration opportunities with GAIN and others. GAIN's Nordic Project in Ethiopia is a partnership with local dairy processors, a Danish NGO and other companies. The model engages the entire value chain from smallholder farmers, dairy processors, distribution and sales and consumption. In 2019, Firmenich Denmark formally joined the project to provide taste solutions that are used to help tailor the product to the Ethiopian consumer and local taste preferences. Our solutions have now been expanded to another dairy product (fortified UHT based-drink) to be sold in Zambia. We are monitoring progress and plan to report on impact next year.

ENHANCING NUTRITION

Current food systems are outstripping the Earth's resources, while current diets are resulting in global health crises of over-nutrition, under-nutrition and malnutrition. There is increasing civic pressure to reduce caloric intake across most consumer demographics. Sugar is often perceived as containing empty calories and having modest nutritional value. The reduction of added sugar is a strong focus for the World Health Organization (WHO) and many national governments. Following WHO recommendations, taxes on sugar-sweetened beverages have been introduced in the US and the EU, increasing consumer awareness and driving pressure on global brands to deploy their sugar reduction strategies globally.



SUGAR REDUCTION FOR HEALTHY DIETS AND REDUCED ENVIRONMENTAL FOOTPRINT

A combination of consumer pressure, clients' global strategies, and governments' implemented or intended taxation, has led to a rapid increase in sales of our sugar reduction solutions in emerging markets, in particular in South East Asia, India, Middle East and Africa. Consequently, FY19 saw an improvement in our impact on sugar reduction. We estimate our impact in FY19 to be over 215,000 metric tonnes of sugar removed or avoided from consumers' diets, equating to over 870 billion calories, with a potential impact on water usage of over 325 million liters.



WORKING WITH LAYN NATURAL INGREDIENTS TO IMPROVE TRACEABILITY

In September 2018, we announced a strategic partnership with Layn Natural Ingredients, a leader in premium, plant-based sweeteners, flavors and botanicals, based in China. This partnership gives us unique access to a vertically integrated and fully traceable supply chain in natural sweeteners and taste modulation extracts.

We are now active across the entire natural sweetener value chain, from the early stages of agronomy to developing the foods and beverages of the future. All seedlings are developed through our in-house, dedicated breeding programs for stevia and monk fruit, enabling us to increase the sweetness compounds found in the plants. Our sophisticated cross-breeding program, a non-genetically modified organism (non-GMO) and natural process, enables us to create a stronger, more disease-resistant variety of leaf or fruit. Layn's product portfolio is all naturally sourced and includes plant-based, high-potency sweeteners, natural flavors and functional ingredients for food, beverage, pharmaceutical and personal care industries. With Layn's vertically integrated structure, global customers can trace all ingredients and processes along the supply chain, guaranteeing transparency and visibility.

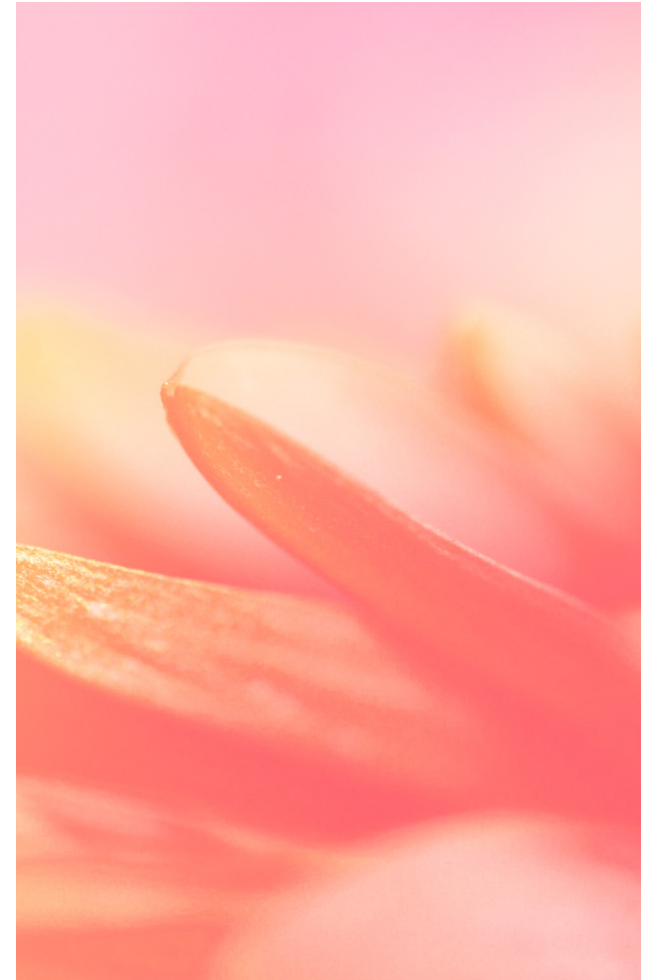
ADVANCING SUGAR REDUCTION WITH SENOMYX

Complementing our strategic partnership with Layn, we have acquired Senomyx, the leading taste biology discovery company. In addition to their unparalleled discovery capability, Senomyx brings us a complete portfolio of existing

proprietary and high performance synthetic technologies for sugar reduction (as well as other taste modulators enabling the improvement of the taste of healthy foods and beverages), together with a very promising pipeline of natural ingredients, including Siratose™. Siratose™ is a new natural sweetener discovered by Senomyx in the Luo Han Guo fruit (monk fruit).

FUTURE AMBITIONS

Following the strategic initiatives we launched in FY19, our ambition for FY20 is to exceed 300 tonnes of sugar and 1.2 trillion calories removed from diet and over 450 million liters of fresh water saved if the sugar removed is not manufactured. These are ambitious goals and with targets above our long-term ambition for CY20 of exceeding one trillion calories.





04



OUR ENVIRONMENTAL LEADERSHIP



OUR ENVIRONMENTAL LEADERSHIP

2020 GOAL	FY19 PROGRESS
Be the first Flavor and Fragrance House with a transparent supply chain via CDP	● ● ● 23% increase in number of suppliers asked to report environmental impact through CDP
Reduce absolute Scope 1 and 2 CO ₂ emissions by 20%*	● ● ● 30.2% decrease in FY19 vs. FY15
Obtain 100% of electricity for Level 1 sites from renewable sources or Renewable Energy Certificates (RECs) **	● ● ● 86% of electricity from renewable sources or RECs
Reduce the rate of water use in stressed areas by 25%*	● ● ● 9.7% reduction in FY19 vs. FY15
Improve our waste efficiency rate by 15%*	● ● ● 14.2% in FY19 vs. FY15
Ensure all of our manufacturing sites can claim zero waste to landfill	● ● ● 56.3% reduction in waste to landfill in FY19 vs. FY15
Eliminate the use of ozone-depleting refrigerant gases at our manufacturing sites	● ● ● 101 R22 units removed or upgraded over 11 facilities; 6 additional manufacturing affiliates are R22-free
Lead the industry in the operationalization of the Nagoya Protocol	● ● ● Deployed a due diligence system on access and benefit sharing (ABS)
Generate gold standard carbon credits through collaborative investments	● ● ● Invested in the Livelihoods-Caruanas project, launched in 2018 by the Livelihoods Funds for Family Farming

We are committed to fighting the urgent climate crisis and minimizing our environmental impact. During fiscal year 2019, we received accolades that reaffirmed our status as an environmental leader and our engagement to help protect the planet. We were one of only two companies in the world to achieve CDP triple “A” status for our actions to tackle climate change, water security and deforestation, and the only company to achieve another top ranking on the Supplier Leaderboard.

Progress key

- ● ● More to do
- ● ● On track
- ● ● Met

* These results are in comparison with our fiscal year 2015 (FY15) baseline.

** A Level 1 site is any manufacturing site regardless of the number of employees or any other site (e.g. offices, labs) with more than 50 employees. Joint ventures and tolling operations are excluded.



OUR ENVIRONMENTAL LEADERSHIP

REDUCING OUR IMPACT
ON CLIMATE CHANGE

We have been leading real change since we made our first public environmental commitment to sustainable business, three decades ago. Our Environmental Policy Statement, updated every year, outlines our approach to reducing our impact, and we have set ambitious 2020 goals to reduce and positively affect our environmental footprint and maximize resource efficiency. In doing so, we actively contribute to SDG 13 (Climate Action) and SDG 12 (Responsible Production and Consumption).

CO₂ AND ENERGY

GRI 302, 305

DRIVING RENEWABLE ELECTRICITY THROUGH RE100

In FY19, we joined RE100, a global initiative involving the world's most influential companies – all of them committed to 100% renewable power. Led by The Climate Group in partnership with CDP, RE100's purpose is to accelerate change towards renewable power. Since its launch at

Climate Week NYC in 2014, RE100 has expanded across the globe and fellow members operate in a wide range of industries, from telecommunications and IT to cement and automobile manufacturing. These companies have all committed to source 100% renewable electricity globally in the shortest possible timeline, and by 2050 at the latest. Because we believe in market-changing targets, we have set a goal to use 100% renewable electricity or Renewable Energy Certificates (RECs) by 2020.

SCIENCE-BASED TARGETS

Building on our industry leadership in environmental management, we joined the Science Based Targets initiative (SBTi), and our science-based targets were approved in FY19. The SBTi is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It is also part of the We Mean Business Coalition commitments.

Targets to reduce commercial and industrial greenhouse gas 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. The SBTi champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. In FY19, we published our approved science-based targets to reduce our absolute Scope 1 and 2 CO₂ emissions by 39% and Scope 3 emissions from purchased goods and services by 20% by 2030 vs. 2015 and vs. 2017, respectively. In order to reflect the most recent Intergovernmental Panel on Climate Change (IPCC)'s recommendations to limit global warming to 1.5°C, and the new methodology disclosed by the SBTi in April 2019, we are in the process of updating our absolute Scope 1 and 2 CO₂ emissions reduction target to 55% by 2030 vs. 2017. This new goal challenges us to work even harder to reduce our environmental footprint, while actively engaging with our suppliers and customers to reduce CO₂ emissions through our supply chain.

149
COMPANIES WITH APPROVED
SCIENCE-BASED TARGETS IN
OCTOBER 2018

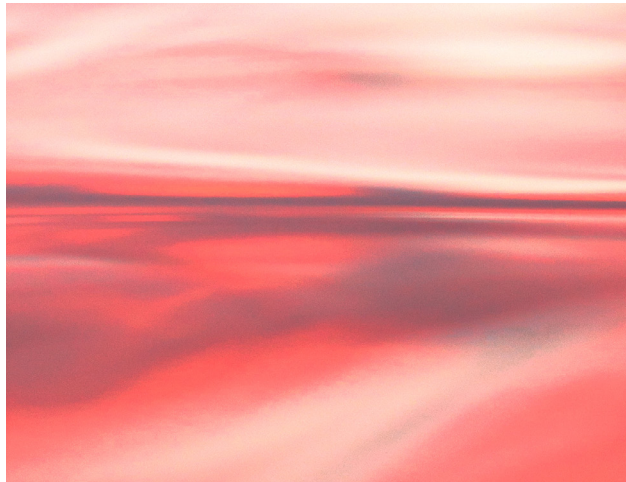
231
COMPANIES IN 2019
(AND GROWING)



ENERGY INITIATIVES IN INDIA

In India, where national CO₂ emissions grew at a rate of 4.8%* in 2018, we set up an on-site 10 kW wind-turbine generator in FY18 and are developing an off-site 2MW project that will generate 45% of the the electric power used at our Dahej plant. At the same site, we recently completed a solar hot water project that will cut energy consumption by approximately 41,000 kWh/year and CO₂ emissions by 41 tonnes/year. We switched from electrically heated water for cleaning processes to reliance on a solar water heater. Capitalizing on the location's sunlight, we added 50 kW in roof solar panels across our two manufacturing locations. This should reduce our energy consumption by more than 78,000 kWh/year and save almost 80 tonnes of CO₂ per year.

* <https://www.iea.org/geco/emissions/>



ACHIEVING CDP TRIPLE A

We have been ranked by CDP as a world leader in environmental management, one of only two companies this year to achieve CDP triple "A" status for climate change, water security and forests. This distinction is a testament to our commitment to conducting our business responsibly, with ambitious sustainability goals embedded in our strategy.

CDP assesses companies on the comprehensiveness of their disclosure, their awareness and management of environmental risks, and their demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Accelerating the transition towards a more sustainable global economy, we look forward to continuing our collaboration with CDP to share best practices on our journey towards zero impact.

LEADING THE WAY TOWARDS ZERO CARBON

In 2019, our CEO signaled his support for a strong 2050 net zero carbon target for the EU. With 48 other CEOs or Board executives, he co-signed a letter asking the EU to commit to carbon neutrality no later than 2050 highlighting the need for a strong sense of direction for businesses to engage even further and faster in the low carbon transition. The letter urges Member States "to signal a new economic direction for Europe by endorsing a long-term strategy for the EU that can achieve climate neutrality by 2050 at the latest," and contains an annex describing various business initiatives (including RE100) taking place in Europe, as information for policy-makers. In light of the recent findings of the IPCC



report, it is critical that as many governments as possible adopt the most ambitious target possible.

We hosted a critical dialogue on climate action with Ambassador de Alba, the UN Secretary-General's Special Envoy for the 2019 Climate Summit. Organized in partnership with the UN Global Compact Swiss Network, the event highlighted action needed to combat climate change and build a green future. In his keynote speech, Ambassador de Alba reminded attendees that the world is currently falling behind the targets set to keep the global temperature increase to well below 2°C and to pursue further efforts to limit the temperature increase to 1.5°C. He stressed that 2019 needs to see concrete action, and saluted our leadership and willingness to act as a catalyst to reverse the disruption of climate change.



OUR PERFORMANCE

GRI 302, 305

PERFORMANCE AT A GLANCE

We believe in setting bold targets that drive progress and inspire actions in our company, our industry and our supply chain. In FY19, we improved on all of our six 2020 environmental goals, compared to our FY15 baseline, and compared to FY18. As we progress on these targets, we may also refine their phrasing and timelines to achieve greater transparency.

In FY19, we cut our Scope 1 and 2 CO₂ emissions by 20,6 % compared with FY18 and 30,2% compared to our FY15 baseline. We reached and surpassed our 2020 goal to reduce absolute Scope 1 and 2 CO₂ emissions by 20% one year in advance, allowing us to already start focusing on our future goals, and our science- based 2030 goals – see [page 58](#).

In FY19:

- 86% of our global electricity now comes from renewables or RECs, and a total of 18 manufacturing sites operate with 100% clean electricity

- 100% of Firmenich manufacturing sites in Switzerland, France, Belgium, United Kingdom, Norway, the U.S., and Brazil rely solely on renewable electricity

2020 TARGET	FY19	FY18	FY17	FY16	FY15
Reduce absolute Scope 1 and 2 CO ₂ emissions by 20%*	101,930 tonnes -30,2% against baseline	128,295 tonnes	132,307 tonnes	138,955 tonnes	146,010 tonnes
Obtain 100% of electricity for Level 1 sites from renewable sources or RECS**	86%	78%	61%	60%	41%
Reduce the rate of water use in stressed areas by 25%*	6.5 m ³ /tonne -9,7% against baseline	6.8 m ³ /tonne	6.7 m ³ /tonne	7.4 m ³ /tonne	7.2m ³ /tonne
Improve our waste efficiency rate by 15%*	29 kg/tonne -14,2% against baseline	32.5 kg/tonne	31.8 kg/tonne	31.1 kg/tonne	33.8 kg/tonne
Ensure all of our manufacturing sites can claim zero waste to landfill	3.5% of waste to landfill	5.1% ***	5.8%	6.2%	8.0%
Eliminate the use of ozone-depleting refrigerant gases at our manufacturing sites	101 units removed or upgraded	68 units removed or upgraded			

* These results are in comparison with our fiscal year 2015 baseline.

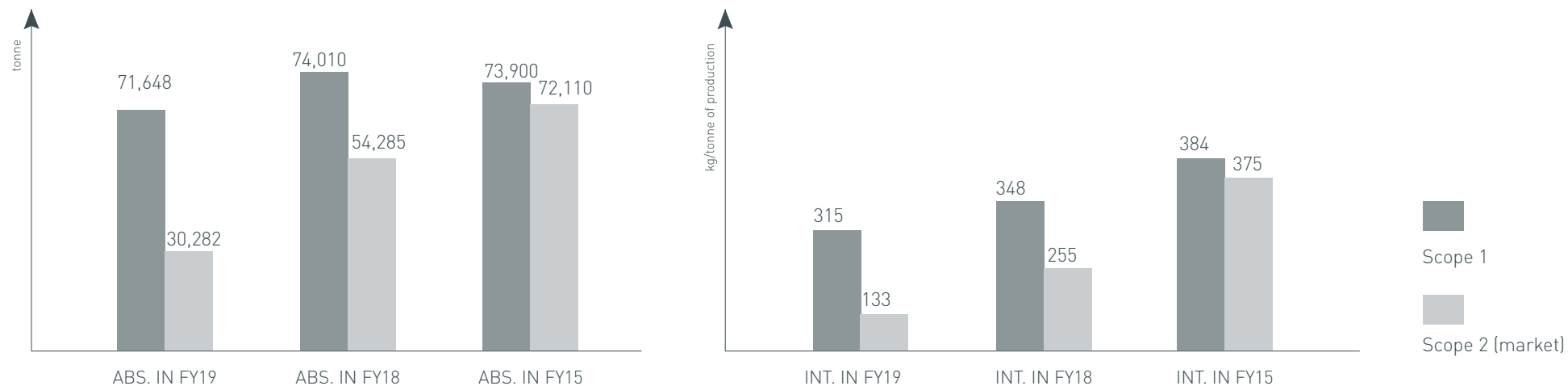
** A Level 1 site is any manufacturing site regardless of the number of employees or any other site (e.g. offices, labs) with more than 50 employees. Joint ventures and tolling operations are excluded.

*** Data correction: our published FY18 data was 4.7% and was later corrected to 5.1%

ENERGY CONSUMPTION AND INTENSITY

GRI 302-1, 302-3

	Total energy consumption (indirect and direct)	Direct energy consumption (heavy and light oil, LPG, natural gas, waste, biomass, and renewable energy generated onsite)	Indirect energy consumption (Purchased electricity, heating, cooling, and steam)	Non-renewable energy (indirect and direct)	Renewable energy (indirect and direct)
ABSOLUTE IN FY19 (in GJ)	2,064,870	1,246,192	818,678	1,363,392	701,478
INTENSITY IN FY19 (in GJ/tonne of production)	9.1	5.5	3.6	6.0	3.1
INTENSITY IN FY18 (in GJ/tonne of production)	9.7	5.8	4.0	7.0	2.7
INTENSITY IN FY15 (in GJ/tonne of production)	10.3	6.3	4.0	8.8	1.5





ELIMINATING THE USE OF OZONE-DEPLETING REFRIGERANT GASES

In 2015, in alignment with our goal to reduce our emissions and ahead of the Montreal Protocol, we decided to eliminate the use of ozone-depleting refrigerant gases (R22) at our manufacturing sites by 2020, even though it represented a very small percentage of our emissions: when we set this goal, CO₂e emissions associated with refrigerant leaks at Firmenich amounted to approximately 0.8% of Scope 1 and 2 emissions, under our materiality threshold of 1%. We established this ambitious target to eliminate the use of ozone-depleting refrigerant gases at our manufacturing sites by 2020 to engage our teams and are still committed to meeting the Montreal Protocol ahead of time*. However we are rephrasing our goal, to better convey this intent and better align with the regulatory timeline. Our updated goal is: "Zero ozone-depleting refrigerant at our manufacturing sites, at least five year ahead of Montreal Protocol." We will continue reporting on this goal until completion. During FY19 we eliminated 101 ozone-depleting refrigerant units, and six additional manufacturing sites became free of ozone-depleting refrigerant.

*The Montreal protocol set a phase-out for the consumption of ozone depleting substances by January 2030, or by January 2040 depending on the countries.

ENGAGING SUPPLIERS ON CLIMATE CHANGE, WATER AND FORESTS

CLIMATE CHANGE AND WATER IN OUR SUPPLY CHAIN

In FY19, we reached top ranking on the CDP Supplier Engagement Leaderboard. This global supply chain recognition highlights our excellence in working with our suppliers to reduce environmental impact and risks across our value chain.

For the second time, we engaged key suppliers through CDP and asked them to disclose their environmental impact in the Supply Chain programs. The response rates of 58%, 51% and 59% in the Climate Change, Water and Forests Programs respectively, are slightly higher than the average in our industry, but are lower in Climate Change and Water compared to last year, as we reached out to more suppliers. We aim to continue increasing the number of suppliers and response rates, and are further engaging suppliers through face to face meetings, one on one calls, and webinars to reach this goal. In FY19, for all Firmenich suppliers who reported through CDP:

- 86% integrate climate related issues into long term business objectives – a 14% increase vs. FY18
- More than 80% report emission reduction activities – a 14% increase vs. FY18.
- 61% undertake a water-related risk assessment – a 21% increase vs. FY18.
- 60% had greenhouse gas (GHG) reduction targets – a 5% increase vs. FY18.

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:

- In 2018, we quadrupled the number of suppliers asked to disclose their deforestation impact via CDP, and our response rate went up 15%. The three leading initiatives used by this select group of suppliers to fight deforestation are: encouraging transparency, increasing demand for certified product, and fostering collaboration with stakeholders.
- We have invested in the Livelihoods Funds since 2011, supporting innovative investment models to address environmental degradation, climate change and rural poverty. In 2018, we invested in the Livelihoods Caruanas project in Brazil, launched in 2018 by the Livelihoods Funds for Family Farming. The objective of the project is to preserve the watershed while helping farmers access a growing urban market, thanks to organic farming practices. More information on Livelihoods Funds can be found [here](https://www.wri.org).

*<https://www.wri.org>



OUR ENVIRONMENTAL LEADERSHIP

CONSERVING WATER

GRI 303

In 2008, we signed the UN Global Compact's CEO Water Mandate, committing us to work with others to find solutions to the impending global crisis relating to the availability of clean water. We have been collaborating with the CEO Water Mandate ever since, and have focused on increasing water efficiency in our operations.

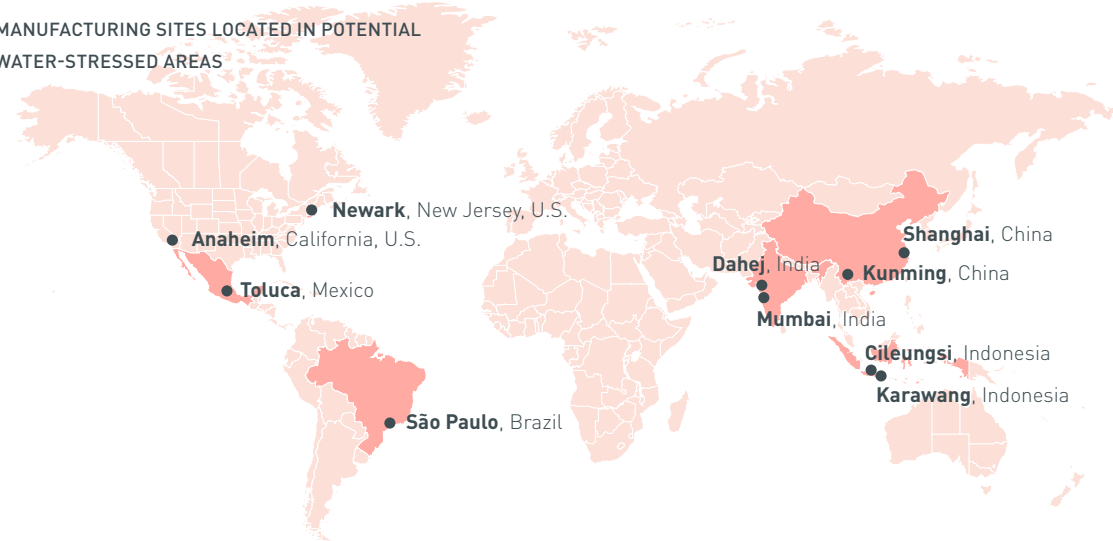
OUR WATER MANAGEMENT PRACTICES

Our operations mostly use water for cleaning. We consume a very small amount of water and most of our cleaning water goes back into the water system after we use and treat it. We follow international and local regulations, but always try to proactively apply the strictest standards available and to continue improving our water discharge quality. In FY19, the chemical oxygen demand (COD) concentration of the water we directly return to the environment was reported as being around 50% of its 2015 level. Our new plants, including our flavor manufacturing site in China, are designed with water in mind, combining water efficiency processes and state-of-the-art water treatment. See more [here](#).

For the past four years we have conducted annual water stress analysis, evaluating water risks and water use for all manufacturing sites with the help of two water risk assessment tools: World Resource Institute's (WRI)

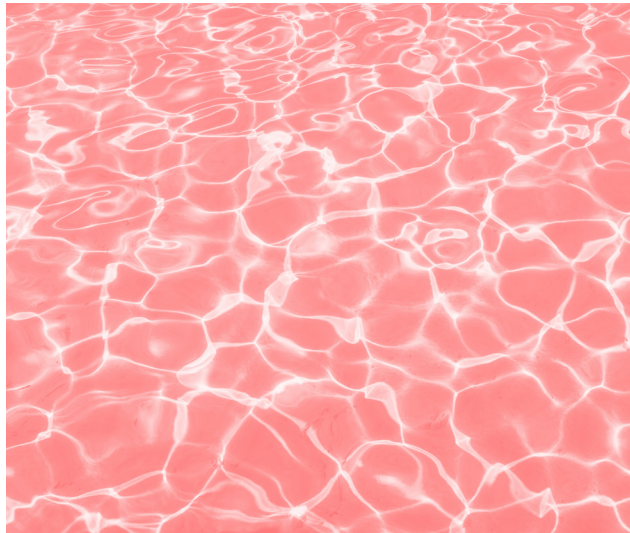
Aqueduct Water Risk Atlas; and the World Wide Fund for Nature (WWF) Water Risk Filter. In FY19, we identified ten sites as the most likely to benefit from mitigation initiatives. We will focus our efforts in these locations.

MANUFACTURING SITES LOCATED IN POTENTIAL WATER-STRESSED AREAS





We not only target water in our operations but also in our ingredients, our supply chain, and local communities. This year, we were one of only two companies worldwide to receive a triple “A” rating from CDP for our initiatives on resources preservation, including a perfect score for our water management (see [page 59](#)). Asking our suppliers to disclose their water initiatives drives them to improve their supply chain sustainability and to take other relevant action. In FY19, among suppliers disclosing their water performance to CDP, 71% had a water policy and 58% integrated water-related issues into long-term business objectives. More information on how we collaborate with suppliers on water initiatives can be found on [page 44](#).



PROGRESSING TOWARDS OUR 2020 WATER TARGET

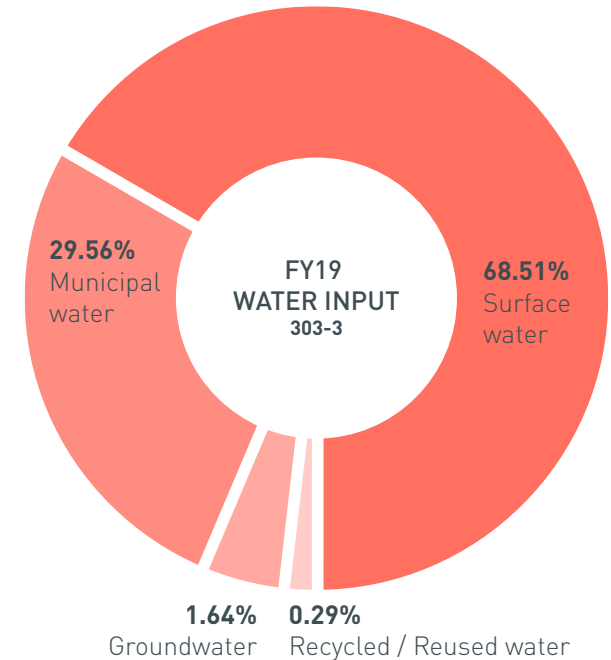
In FY19, we reduced our water use in water stressed areas by 4.4% vs. FY18, and by 9.7% vs. FY15. While this is positive, we still have progress to make to reach our 2020 target to reduce water use in water stressed areas by 25%.

Below is an overview of our activities during FY19:

- In Kunming, China, we implemented a new cooling water system that will save 7,200 m³ of water annually, more than 20% of the site’s water impact
- In China, we also opened our first zero liquid discharge manufacturing plant: all wastewater is purified and recycled at the end of the treatment cycle
- In Brazil, we implemented a project to recover and reuse vacuum pump water discharge, and expect to save 4,000 m³ of water per year
- In Indonesia we installed equipment to recover and reuse pump seal water and rainwater, expected to save around 18,000 m³ water per year
- In California, U.S., we continued our work with The Pacific Institute, the CEO Water Mandate, and other stakeholders to align measurement systems, set meaningful targets, and prioritize actions and investments that address the key water challenges in the region. Our Anaheim site was assessed in April 2019, to enhance our landscape and save more water in this water-stressed region.

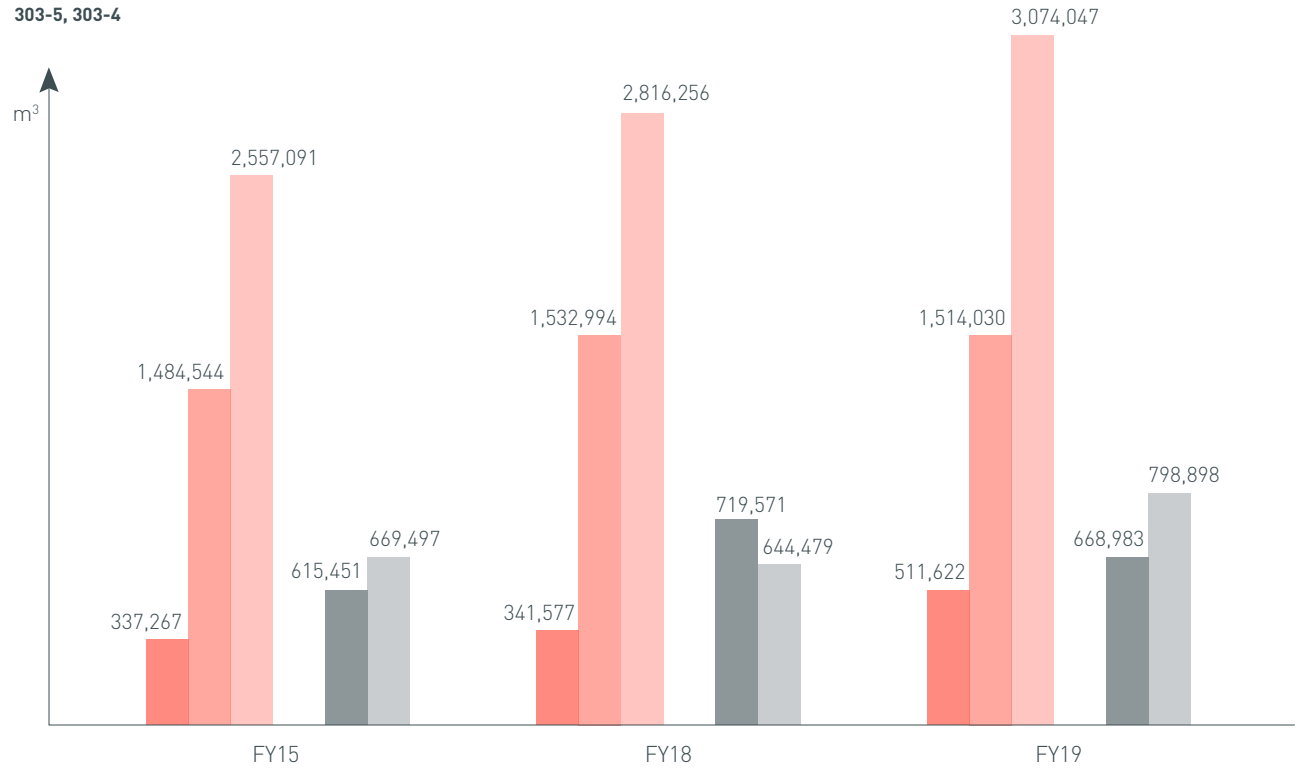
At this stage of our water efficiency journey, we know that investments are key to making and sustaining progress. We have made a large investment in China during FY19, but those to follow will be defined in FY20 and implemented

in FY21, with meaningful impacts only evident in FY22. Consequently, we will probably meet our 2020 target with a two-year delay. This will not prevent us from setting ambitious future targets next year, and communicating on all targets until they are achieved.





WATER USAGE AND WATER DISCHARGE
303-5, 303-4



Water usage

- Domestic
- Process
- Non-contact cooling

Water discharge

- Directly to environment
- To offsite treatment



OUR ENVIRONMENTAL LEADERSHIP

DRIVING DOWN WASTE

We have set a goal to improve our waste efficiency ⁽¹⁾ rate by 15% by 2020 vs. 2015 and to reach zero waste to landfill at all of our manufacturing sites while also embracing circular models. In FY19, we improved our waste efficiency by 14.2% compared with FY15. Combining our goals to achieve zero waste to landfill and improve our waste efficiency ensures that we not only divert waste streams towards recycling or incineration for energy recapture but also reduce our overall waste wherever we operate.

IMPROVING OUR WASTE EFFICIENCY

REACHING ZERO WASTE TO LANDFILL IN NORTH AMERICA

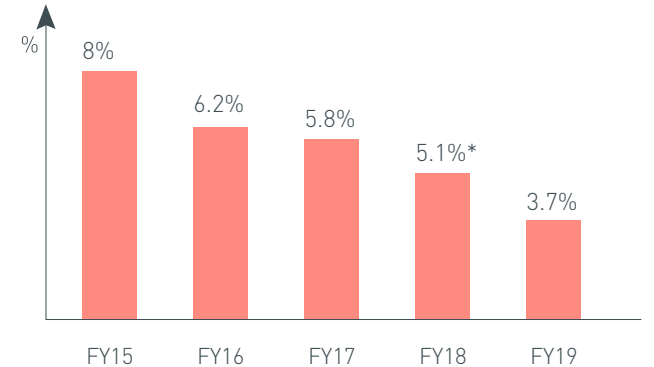
In April 2019, we reached zero waste to landfill at our Princeton, New Jersey site. Our local teams have spent the past few months identifying a facility able to accept and recycle open top refuse. We also anticipate reaching zero waste to landfill at our manufacturing sites in Saint Louis, Missouri, Anaheim, California, and New Ulm, Minnesota, before the end of the calendar year 2019.

We can achieve this by increasing our waste efficiency and by collaborating more closely with local suppliers to improve waste sorting and find more suitable alternatives to disposal, following the principles of circular economy. For example, our Princeton, New Jersey manufacturing site reached zero waste to landfill by sorting open containers of construction and demolition waste that usually went to landfill, and fully categorized each waste for recycling.

COMPOSTING IN ARGENTINA

To achieve our environmental goal and become a zero waste to landfill company, all of our sites run initiatives that are adapted to local conditions and then share their experiences with each other to drive best practices globally. For example, our Argentinian site designed a composting station, encouraging colleagues to sort food waste. After four months, local teams were able to build an organic garden using the sorted food waste, and gave compost to all employees to be used at home. This project has the potential to cut waste to landfill at the site by approximately 20 %, and generated 3,600 kg of compost after four months.

ANNUAL PROGRESS OF % WASTE TO LANDFILL (MANUFACTURING SITES ONLY)
306-2



*Data correction: our published FY18 data was 4.7% and was later corrected to 5.1%

(1) Waste efficiency involves reducing wastes generated and also choosing disposal outlets that have the smaller environmental impact. The intent of this target is to both reduce waste and move waste from undesirable outlets (such as landfill and direct incineration) to outlets with less environmental impact (such as recycling and burning for energy recovery).

PLAYING OUR PART IN REDUCING PLASTIC USE

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 downloaded 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. In 2015, we set up a goal to achieve zero waste to landfill at our facilities, mandating all the plastic received to be recycled or burnt for energy. The same year, we also addressed plastic drums that leave our facilities, as these represent our largest plastic use. While we have long been using fully recyclable plastic drums, we reduced their weight in the U.S. by about one kilo per drum, leading to a saving of around 45 metric tonnes of plastic and 1,600 metric tonnes of CO₂. In FY19, we continued working with suppliers and are currently testing plastic drums which contain more post-consumer recycled plastic, through a pilot project in the U.S. As

we create and manufacture both fragrances and taste solutions, our packaging must go through an extensive testing phase, to ensure that our product quality remains intact. We will publish an update on our test results in our next sustainability report.

We have now banned all single-use plastic utensils in our cafeterias, meeting rooms, and reception areas in Europe. We aim to ban single-use plastic utensils globally by 2020, so that our colleagues and visitors worldwide can see that we are not only committed to preserving the planet at our manufacturing sites, but also in our reception areas, meeting rooms, and cafeterias.

Beyond our activities to reduce plastic usage in our manufacturing facilities, offices and along the supply chain, our contribution to managing polymers has led to review polymer usage and delivery systems at product level.

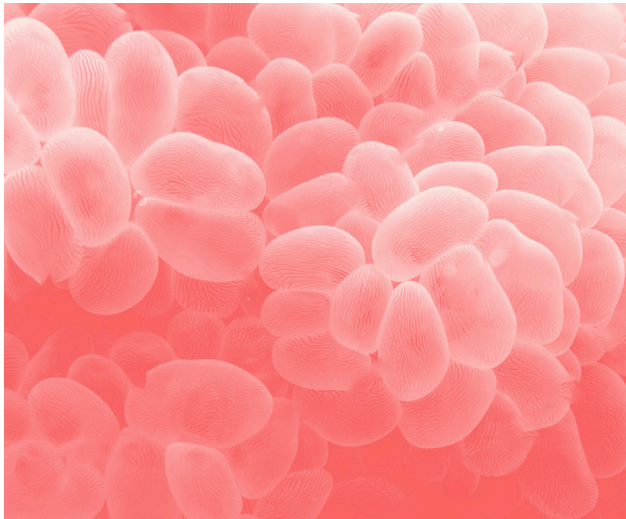
COMMITMENT TO ENVIRONMENTALLY-FRIENDLY SOLUTIONS FOR FRAGRANCE ENCAPSULATES

It is recognized that fragrance encapsulates are one of the most effective and sustainable ways to deliver high impact fragrances and satisfy the unmet consumer need of long-lasting fragrance on dry fabrics. This delights consumers as its long-lasting freshness helps improve consumers' well-being and confidence, encouraging reduced washing frequency of very lightly soiled cloths which need more refreshing than extensive (high energy / high water) washing. In March 2019, the European Chemicals Agency (ECHA)

released the public consultation on "Restricting the use of intentionally added microplastic particles in consumer or professional use products of any kind". The definition of microplastics in ECHA's document encompasses numerous kinds of polymers used in many different applications, among them encapsulated fragrances produced by all the major fragrance houses, including Firmenich. Through IFRA (International Fragrance Association) task forces, we have been following closely the advances of the ECHA process and contributing with environmental data generated internally and in collaboration with recognized laboratories.



The environmental impact of the most commonly used fragrance encapsulates has been investigated. Starting in 2016, its effects were assessed under various scenarios. The results of the ecotoxicological tests, reported in 2018, show that the use of fragrance encapsulates in consumer products does not cause adverse effects to aquatic, sediments and terrestrial organisms. The tests were conducted at the Fraunhofer Institute for Molecular Biology and Applied Ecology IME. Additionally, our R&D department generated analytical results, proving that the polymeric materials used to encapsulate fragrances are too hydrophilic to serve as vectors favoring the bioaccumulation of persistent toxic materials such as polychlorinated biphenyls in the environment.



Although fragrance encapsulates were never identified in aquatic litter and their release in the environment is minimal compared with microplastics as beads or synthetic fibers, we are committed to develop environmentally-friendly solutions for this fragrance delivery system, aligned with the consumer requirements and new regulations that

are currently under discussion.

Over the past ten years, we have extensively worked on continuously improving our perfume encapsulates so as to deliver a better consumer benefit at reduced encapsulate dosage. Through thinning of the capsule polymeric wall and more impactful fragrances within the capsules, the quantity of polymeric capsule wall used per wash load in 2019 has been typically reduced 3 to 4 folds versus what it was in the late 2000's. 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.



PRESERVING BIODIVERSITY

Protecting biodiversity and those whose livelihoods depend on it, is fundamental to our business, critical to our innovation pipeline, and a core part of our natural sourcing programs. We have been committed to protecting biodiversity since 2008, partnering with international organizations including the Union for Ethical BioTrade (UEBT). We have continuously strengthened our commitments and further embedded them in our operations.

IMPACT AND MANAGEMENT OF BIODIVERSITY

SIGNIFICANT IMPACT OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

GRI 304-02

We closely monitor our environmental impact (see [page 57](#)) and biodiversity is an important element of this. Our impact is primarily indirect, through our sourcing practices

and research & development activities. In November 2018, we released a public statement on biodiversity. This statement emphasizes the key importance of biodiversity for us, as the source of both our supply and our inspiration: By combining a wise use of natural resources with smart developments in extraction processes, green chemistry and white biotechnology, our vision is to positively contribute to biodiversity and respect stakeholders along our value chains. You can read our public statement on biodiversity [here](#).

MANAGING BIODIVERSITY

We continuously engage with our suppliers and smallholders through our responsible sourcing projects (see [page 42](#)) to train and empower them on the importance of biodiversity and sustainable agriculture practices. Since 2017, we have published and shared booklets in which we detail sustainable agricultural practices for patchouli and vanilla in Indonesia. In Southeast Asia, we help preserve trees that produce aromatic gums, such as Sumatra benzoin and

Elemi in the Philippines, through landscape management. We help farmers dependent on forests and NTFPs (Non-Timber Forest Products) to achieve decent livelihoods and raise awareness on biodiversity issues. This is evidenced by our engagement with UEBT through our Naturals Center of Excellence in Grasse, which is a member of UEBT. Recently, we have deepened our relationship by collaborating on specific projects.

These practices and close relationships with our suppliers out in the field support our contribution to SDG 15, target 15.2 (Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and substantially increase afforestation and reforestation globally). In addition, our commitment towards the Nagoya Protocol Principles, namely Access and Benefit Sharing (ABS), helps us contribute to SDG 15, target 15.6 (Ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources, and promote appropriate access to such resources).

SCIENCE PLAYS ALSO A ROLE IN PROTECTING BIODIVERSITY

Our R&D and Innovations teams continue to help us reduce our environmental impact through different work streams, such as GreenGate (see [page 38](#)) and more environmentally friendly production processes (see [page 40](#), and reducing the pressure on selected natural resources from which key ingredients are derived.

DUE DILIGENCE ON ACCESS AND BENEFIT SHARING (ABS)

Our Biodiversity Steering Committee and dedicated working groups led by internal experts, have started developing tools to operationalize due diligence in line with the ABS Principles set by the Nagoya Protocol and national ABS regulations.

In FY19, we developed:

- Key tools to support the R&D and innovation communities, such as a decision tree and questionnaire
- Four internal check points on the applicability of potential national ABS regulations, to ensure clear status of the ingredients developed by our R&D and innovations colleagues. The check points follow the different stages of a project – sourcing of new samples during the research project, before industrialization, and before launching

While developing these tools, we have conducted internal training to keep people engaged with the topic. We have completed six training courses for key global Firmenich functions, explaining what ABS due diligence means and how we manage it. This represents 120 colleagues worldwide.

2018 was an important stepping stone for our internal learning

and expertise. As the Brazilian biodiversity regulation (Law 13.123/2015) reached an important milestone in November 2018, we put a lot of effort into working with different teams to best inform our clients about this regulation and its impact on the Fragrance & Flavor industry. Thanks to the cross-divisional collaboration of our regulatory, formula management and sales teams, we have been able to fully scope the impact that the regulation has on Firmenich as well as on our clients' businesses, and to adapt business tools accordingly. This process is reflected by the issue, when relevant, of documents such as:

- Attestations outlining the status of any fragrance development containing Brazilian biodiversity ingredients, regarding its applicability to the Brazilian biodiversity regulation
 - A Flavor Technical Data Sheet (TDS) outlining whether or not the formula contains Brazilian biodiversity ingredients
- In order to ensure a smooth implementation, 18 training sessions were completed with our regulatory, commercial and creator colleagues to explain the Brazilian Biodiversity regulation and how we manage it. This represents 657 colleagues worldwide.

ADVOCACY AND ENGAGEMENT

INDUSTRY-WIDE INITIATIVES

In addition to our internal processes, we participate in industry wide initiatives. Two of our employees are part of the IFRA-IOFI Nagoya Protocol Task Force, with one serving as its Vice Chair.

The Task Force is dedicated to increasing the strategic importance of biodiversity and ABS rules and regulations for the industry. It has issued a Guidance document on the Nagoya Protocol and on related ABS regulations for IFRA-IOFI members. Thanks to the task force, we are better prepared to monitor and potentially contribute to the drafting process of national regulation through public consultation. While monitoring national regulations we can also follow the development of international positioning, such as the discussion on Digital Sequence Information (DSI) led by the International Chamber of Commerce (ICC).

LEARNING EXPERIENCE WITH THE SWISS GOVERNMENT

In April 2019, we hosted the Swiss National focal point of the Federal Office for the Environment in our Geneva headquarters. This session was an opportunity to discuss and share with the Swiss Government our vision on biodiversity and the processes and tools we have put in place to ensure compliance with applicable ABS regulations.

DRIVING THE IMPLEMENTATION OF SOLUTIONS RECONCILING BUSINESS AND BIODIVERSITY

Firmenich joined the One Planet Business for Biodiversity (OP2B) coalition in May 2019, an action-oriented coalition of businesses committed to preserving biodiversity. The coalition is involving a variety of relevant stakeholders, from both the public and private sector, to enable the implementation of imaginative solutions reconciling business and biodiversity. The focus of the coalition will be to fast track innovative economic models and value chains respecting and promoting biodiversity.



05

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PEOPLE



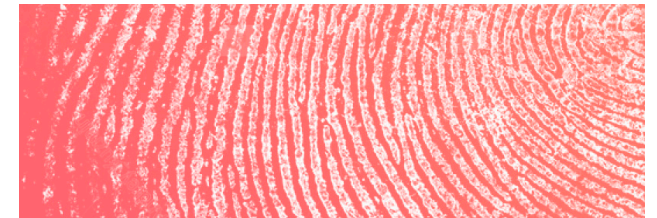
PEOPLE

2020 GOAL	FY19 PROGRESS
Formalize a program to further integrate people with disabilities throughout the business	<ul style="list-style-type: none"> ● ● ● Hired and trained 77 blind and visually impaired sensory panelists across six countries over the past years ● Signed the Valuable 500 Pledge
Certify all Firmenich sites for gender pay equality	<ul style="list-style-type: none"> ● ● ● Received the global EDGE certification in December 2018 covering gender pay equality and more
Extend our apprenticeship program to all geographic regions	<ul style="list-style-type: none"> ● ● ● Implemented apprenticeship programs through the Global Alliance for YOUth covering Switzerland, the EU and the US and support the extension of apprenticeship education in other markets in partnership with the Global Apprenticeship Network (GAN)
Create a Firmenich Sustainability Academy to train 100% of our workforce on social and environmental topics	<ul style="list-style-type: none"> ● ● ● Delivered face-to-face and online sustainability training to about 2500 colleagues
Audit and validate human rights across the Firmenich value chain	<ul style="list-style-type: none"> ● ● ● Conducted a full value chain mapping to refine the priority areas of work with higher potential for severe human rights impacts and published our Modern Slavery Statement ● Achieved an increase in suppliers' adhesion to Sedex from 432 in FY18 to 515 in FY19 covering human rights among others
Sustain and further improve our industry-leading safety performance by maintaining a total recordable case (TRC) rate below 0.25	<ul style="list-style-type: none"> ● ● ● Improved our safety performance 33% vs. FY14 baseline and reached a TRC* rate of 0.18

People are at the heart of everything we do. As a family-owned company, we naturally care about our colleagues and their families. Our success is based on our rich cultural fabric that intertwines passion, innovative thinking and sustainability, with our business objectives. FY19 saw the launch of many new exciting programs and initiatives advancing our vision and culture of inclusiveness.

Progress key

- ● ● More to do
- ● ● On track
- ● ● Met





PEOPLE

OUR EMPLOYMENT POLICIES, STANDARDS AND PRACTICES

GRI 401-1

We follow high labor standards and foster an environment in which each colleague is empowered and encouraged to grow. In line with our family legacy we strive to create an inspiring working environment. Our values naturally encourage equal opportunities regardless of age, region, and gender. While our approach enables us to create the right work environment and conditions to contribute to SDG 8 (Decent work), we also aim to contribute specifically to target 8.6 (Substantially reduce the proportion of youth not in employment, education or training).

OUR APPROACH TO RECRUITMENT AND RETENTION

In 2019, our workforce numbered close to 7,600 colleagues. We hired 856 new employees and had a 9.4% turnover rate of which 5.7% is voluntary turnover. 22.1% of employees are covered by collective bargaining agreements.

We aim to provide the processes, tools, and learning experiences that ensure we attract, inspire, and retain the most talented people. We want to offer all colleagues the opportunity to grow in a meaningful and engaging way, while also ensuring we have the right people in the right roles at the right place and time. By developing a best-in-class talent acquisition process, we can ensure we are attracting a diverse and talented workforce, capable of making a difference to Firmenich and society worldwide.



Our talent acquisition process

As part of the Global Edge Certification journey (see [page 82](#)), our recruitment processes have been reviewed by a third-party audit and we have made the following commitments:

- Gender-sensitive language and visuals must be systematically used in our job advertisements
- Candidates for management positions (CL14 and above) must be interviewed by diverse interview panels
- Candidate pools for management positions must be gender diverse
- Mandatory awareness training on potential gender and ethnic biases must be completed by all managers and recruiters

An important part of the talent acquisition process is our FlexWork program, designed to make sure we can recruit new colleagues with different experiences, perspectives, backgrounds and abilities. The program is communicated externally via different communication channels, for example, on Firmenich.com and Glassdoor.



Inspiring and retaining the best talents

In FY19, we launched our Global Rewards and Well-Being Policy, stating that every person, regardless of their disability, race, ethnicity, gender, age, economic status, or sexual orientation, has an equal opportunity to reach their full potential at Firmenich and is treated with compassion, respect and dignity, free from stigma. We prioritize emotional, social, physical and financial well-being so that everyone feels empowered and supported to look after themselves without feeling judged or inferior. The policy outlines a philosophy that is designed to attract, motivate, and retain the most talented people. It transparently discloses the wide range of benefits we offer to our employees and provides information about the availability of these benefits. In support of this, we organized our first Global Wellbeing Day in June 2019. Some 40 affiliates volunteered to participate, showing colleagues' interest in living our purpose as well as staying creative, focused and happy in a highly challenging business environment.

In line with our philosophy, we strive to offer a personalized experience through the design and deployment of our global FlexWork strategy. We recognize our colleagues are managing multiple responsibilities at work, at home and in their communities, so we provide flexible working arrangements. In order to ensure that they all have access to FlexWork globally, our HR team and business champions have trained all of our people managers (more than 1,200 people) on how to apply FlexWork with their teams through 114 training sessions organized across our affiliates. All

of our colleagues are eligible for FlexWork as long as it is compatible with their business priorities.

Global Alliance for YOUth

As one of the founding members of the Alliance for YOUth, initiated by Nestlé and first launched at European level in 2014, we have provided more than 1,300 jobs, apprenticeships and training opportunities. We have also supported more than 3,100 young people through "Ready for Work" activities, such as CV clinics, presentations and career forums. Building on this achievement, we took the commitment this year to continue strengthening the employability of young people on a global scale by forming the Global Alliance for YOUth, together with 20 multinational companies including Nestlé, Microsoft, Publicis and SAP. This business-driven movement is committed to reach and support six million young people by 2023, equipping them with the necessary skills to thrive in the world of work, today and tomorrow.

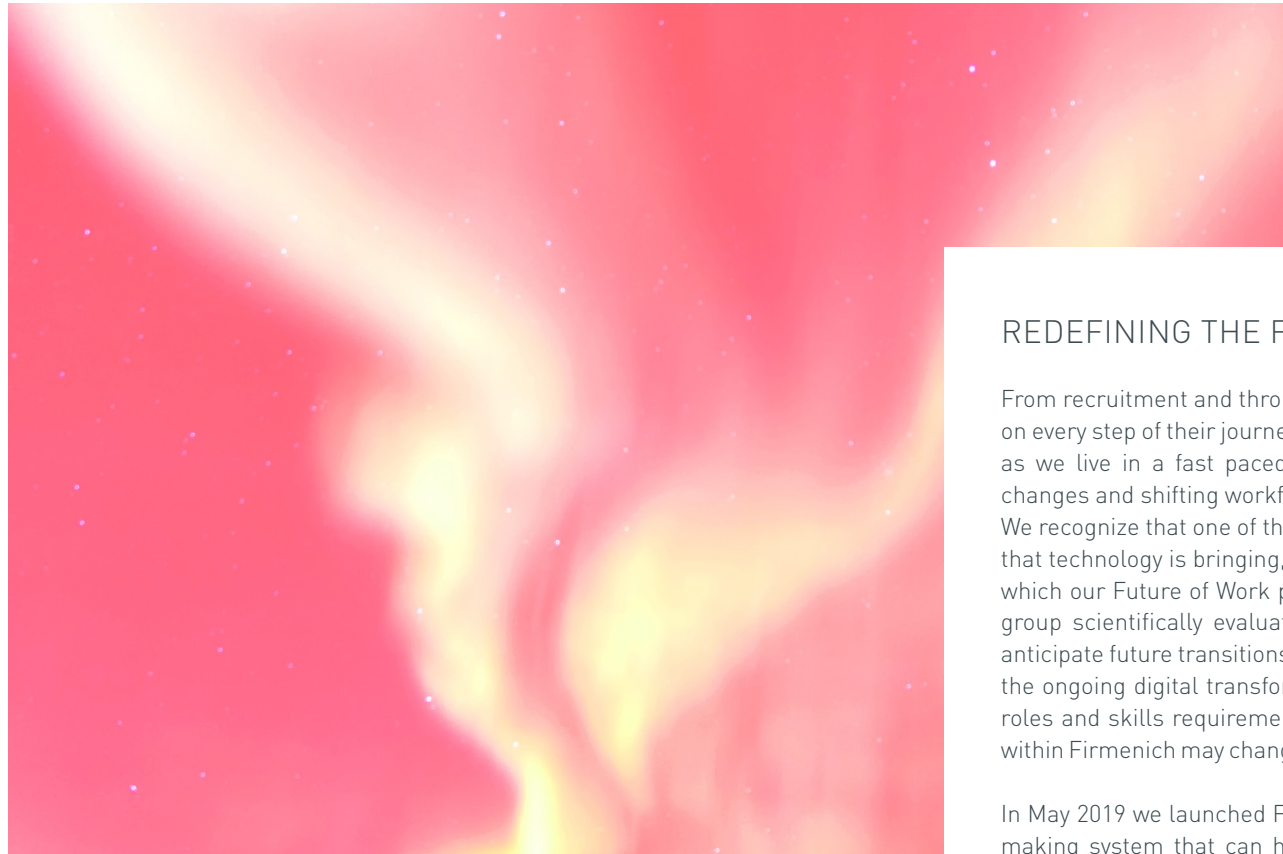
We believe we have a social responsibility towards youth and need to transfer our heritage to the next generations, helping them get the right skills, adapt to their fast-changing world and find career opportunities in the future.

1,385 young people under 30 years-old have been positively impacted by Firmenich over the last four years as part of the Global Alliance for YOUth.

Through our commitment to the Global Alliance for YOUth, we will extend our continuous engagement by:

- providing extended opportunities for "on the job" experiences through internships or co-ops, apprenticeships and entrepreneurship programs to develop skills that enhance employability
- developing new apprenticeship schemes at our two largest campuses while also increasing the number of dual training opportunities – including our support for the development of new learning schemes that will be needed in the future
- acting as ambassadors for dual educational schemes and partnering with a wide network of local, regional and global partners, including authorities, educational partners and companies, to promote apprenticeships, share best practices and support the implementation of new programs





REDEFINING THE FUTURE OF WORK

From recruitment and throughout their career development, we want to support employees on every step of their journey with us. It is important that we accompany them on this journey as we live in a fast paced environment where rapid technology evolution, demographic changes and shifting workforce expectations are transforming the way we all live and work. We recognize that one of the biggest challenges will be to embrace the fast pace of changes that technology is bringing, which is why our HR team is focusing on several pillars, among which our Future of Work project is key. We have recently assembled a dedicated working group scientifically evaluating changes occurring in key job families in our company to anticipate future transitions. We want to guarantee our colleagues' employability throughout the ongoing digital transformation. We want them to be prepared for any changes to their roles and skills requirements that are driven by digitalization. We are exploring how roles within Firmenich may change so we can adjust colleagues' skills and capabilities accordingly.

In May 2019 we launched FirMatch, a one-stop-shop solutions platform, based on a match making system that can help collaboration among our different functions and grow our competencies internally. FirMatch supports our colleagues in their career evolution by encouraging them to not only explore other roles but also understand and develop new competencies.



PEOPLE

RESPECTING AND PROMOTING HUMAN RIGHTS



People are at the heart of our values and creativity. As a responsible company, we want to have a positive impact on the people and the communities with which we directly and indirectly do business. This is why human rights are so important to us. We respect international human rights standards and are working to assess our impact in our own operations and business relationships. In doing so, we contribute to multiple Global Goals as human rights are interwoven in all SDGs from gender equality (SDG 5) to decent work (SDG 10).

REGULATORY CONTEXT

The business and human rights landscape is evolving fast and regulation is growing all around the world. In 2018, Australia joined France, the United Kingdom, the United States and a number of other states in adopting requirements for businesses to disclose information on human rights. As many countries have now developed

National Action Plans on business and human rights, more legislation is expected and, compounded by an increased interest and scrutiny from the investment community, this trend is here to stay. Meanwhile, discussion on an international binding treaty on business and human rights is ongoing and encourages businesses to accelerate their work on human rights.

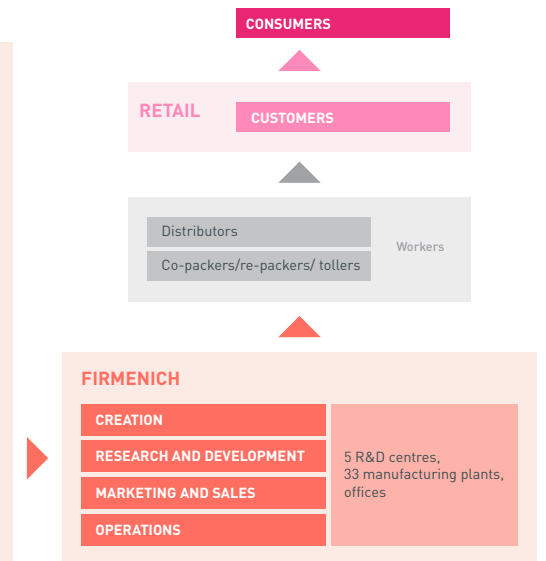
HUMAN RIGHTS VALUE CHAIN MAPPING

Building on our **Human Rights Policy Statement**, FY19 was an important year in which we started the operationalization of human rights across our business. After identifying our salient human rights issues and before defining our action plans, we wanted to take a step back and better understand how and where our salient human rights issues manifest throughout our value chain. By driving respect for human rights across our operations and value chains, we can have a sustained and widespread positive impact on the lives of the people most affected by our business. With the support of external expertise, we decided to conduct a full value chain mapping, through a series of interviews with more than 20 colleagues across all functions of our business. Those interviews provided us with valuable insights into higher risk areas of the business and business relationships and potential human rights risks, from sales and indirect purchases all the way to biotechnology. An immediate outcome of the interviews was the identification of the priority areas of work with higher potential for severe human rights impacts, the areas where we had weaker or fewer mitigation measures, and the identification of actions to put in place to mitigate those risks. The value chain mapping exercise helped us prioritize our salient issues and guided our strategy on human rights assessments by indicating specific geographies and relationships to be further assessed as a priority. The outcome of this work was reviewed and validated in June 2019 by our Human Rights Committee.

The value chain mapping also helped us identify key personnel and invite them to a workshop on modern slavery, coordinated by an internationally recognized expert on business and human rights. As a responsible company with offices in the United Kingdom and Australia, we are subject to legislation in place regarding the Modern Slavery Acts. With a focus on strengthening disclosure and procurement-related activities, the workshop was an opportunity to

explain to colleagues what modern slavery is and where it can occur in our supply chain. We also discussed measures we have in place and those we should consider to strengthen our approach. Following this workshop, we developed and published a Modern Slavery Statement, which is now available on our **website**.

FIRMENICH VALUE CHAIN





INTEGRATING HUMAN RIGHTS INTO OUR NEW SUSTAINABILITY STRATEGY

Along with planetary boundaries, human rights are one of the operating principles guiding our sustainability strategy and our business. The last few months of FY19 were dedicated to engaging with colleagues to define our future sustainability strategy and a new cycle of goals. In line with the UN Guiding Principles on Business and Human Rights (UNGPs), we have defined goals structured around their key components – policy, integration, due diligence and remedy – and have sought to ensure that human rights are integrated across all functions, prioritizing our salient human rights issues. Our human rights vision, strategy and targets were reviewed and validated in June 2019 by the Human Rights Committee.

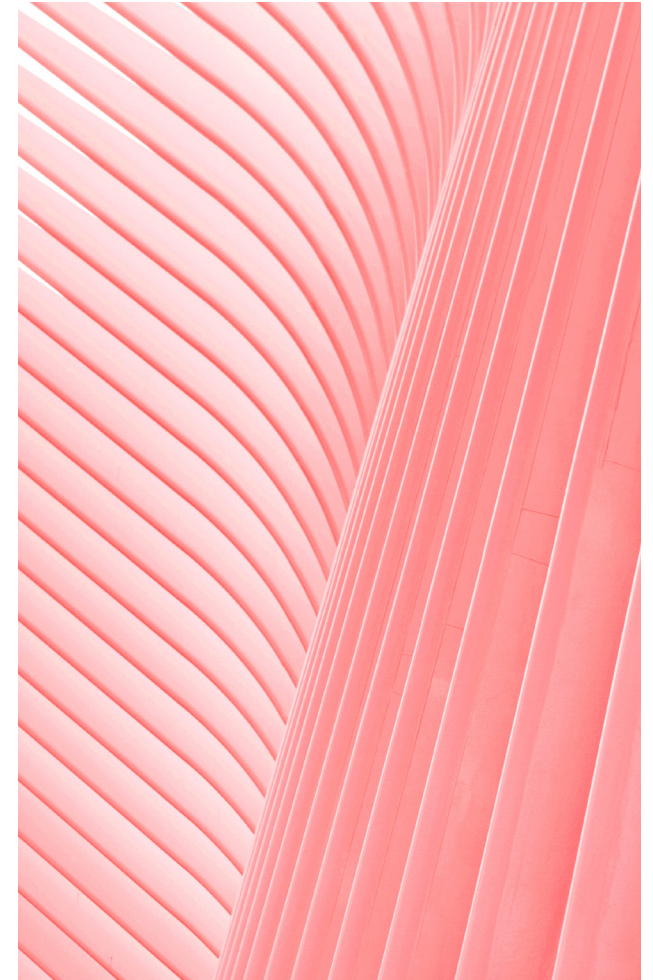
Supplier social assessments

GRI 414-1

Our suppliers' adherence to Sedex has increased from 432 in FY18 to 515 in FY19, which means that their coverage of the human rights scope is also growing. The desktop audit checklist coverage was also reviewed, and human rights topics are now mandatory in these types of audits.

Advocacy and engagement

In November 2018, we attended the **UN Forum on Business and Human Rights** to exchange and learn from our peers. Our key learnings and commitments are captured in an **article** published on our CEO's LinkedIn page, raising awareness of human rights among our colleagues and partners. In March 2019, we participated in the Groupement des Entreprises Multinationales (GEM)'s training for Swiss companies on business and human rights and presented our work on identifying salient issues and value chain mapping on human rights. The following month, we joined a multi-stakeholder dialogue on the Swiss National Action Plan for business and human rights. In June 2019, we re-affirmed our commitment to human rights by signing and contributing to **WBCSD's CEO Guide to Business and Human rights**, a top-level overview for CEOs on the significance of the human rights agenda for business.





PEOPLE

PRIORITIZING HEALTH AND SAFETY

Our employees' and contractors' health and safety (H&S) are of utmost importance to us because people are our most precious asset and keeping workers safe is one of our key human rights focus areas.

OUR HEALTH AND SAFETY MANAGEMENT PRACTICES

Our Health and Safety (H&S) practices are built on:

- Full integration of H&S performance goals with overall long-term business strategy
- A bottom-up approach to engage all employees in behavioral safety
- A family values-based system which ensures that upper management is accessible to, and supportive of, H&S advocates within the company

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

GRI 403-1

Our H&S management system goes beyond local and international regulatory requirements and includes employees and partners. All of our manufacturing sites (excluding recent acquisitions) have been certified under the Occupational Health and Safety Assessment Series (OHSAS 18001) since 2015. This third-party certification confirms that we have applied comprehensive management systems to comply with all relevant health and safety legal requirements and our stringent corporate principles and codes. While only our manufacturing sites are certified, our management system applies to all employees and partners, regardless of their role or work location. To evolve towards a company-wide certification, we are transitioning from the OHSAS 18001 certification to ISO 45001, the new occupational health and safety management system developed by the International Organization for Standardization (ISO) in 2018.

H&S AUDITS AND ASSESSMENTS

GRI-403-2

We conduct regular health, safety, and quality audits at our manufacturing sites, led by trained local and international experts who compare local management systems with our mandatory principles and operational codes, and local and international regulations. In FY19, we conducted nine assessments. We commit to following up corporate audits very closely. This involves quarterly reviews involving our sites and the auditors.

Our focus on H&S echoes our commitment to human rights and goes beyond our operations. We respect and support H&S in our supply chain through our Social Accountability Standards.



OUR PERFORMANCE

Our family values highlight the importance of our people and the communities in our value chain. We maintain the highest standards of health and safety. In FY19, we improved our industry-leading safety performance (TRC Rate) by 33% vs. FY14. Between FY14 and FY19, we also acquired several smaller companies and welcome the challenge of expanding our safety journey to include these new teams. Some of our FY19 achievements include:

- CHF 10.6 million invested in health and safety projects
- 0.18 Total Recordable Cases (TRC) Rate (-33% vs. FY14 baseline)* **
- 0.09 Lost Time Cases (LTC) Rate (-10% vs. FY14 baseline)* **
- 23 manufacturing sites with zero recordable injuries
- 12 manufacturing sites achieved greater than one million exposure hours injury free

*main injuries include fractures, luxations; bruises, abrasions or contusions; and strain or sprain.

** TRC takes into account ill health, and both TRC and LTC rates are per 200,000 exposure hours and include employees and contractors

OUR APPROACH TO COMMUNICATION AND TRAINING

GRI 403-4

We rely on our Health, Safety & Environment (HS&E) Management Principles and Operational Codes. These guidelines, developed by the HS&E function, describe the HS&E management systems that must be put in place and built on, at every Firmenich affiliate. Containing 15 management principles and more than 50 codes and standards, the charter mandates that senior management engage in formal and regular two-way communication with line management (at least once a week) and that line management engage in daily two-way exchanges with employees, contractors and others, on HS&E issues. It also explicitly directs the setup of HS&E training, re-training and awareness procedures for employees and contractors, and of HS&E induction for new employees, visitors, and colleagues involved in new activities. Over the past five years, we averaged 10.87 hours of training on HS&E matters per year per employee and supervised contractors.

INCIDENT INVESTIGATION AND ROOT-CAUSE ANALYSIS

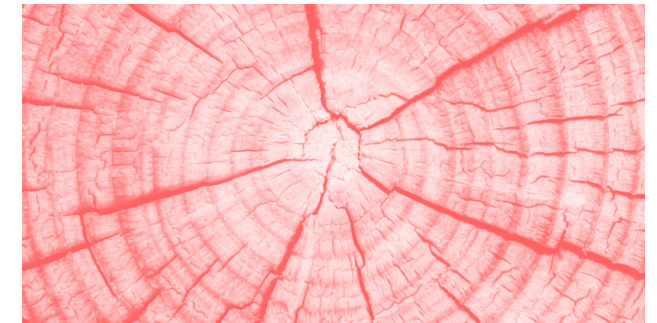
GRI-403-2

As mandated by our HS&E Management Principles and Operational Codes, our management and employees have diligently reported, investigated and addressed incidents for many years. In 2006, we built a root-cause analysis process for HS&E incidents. This comprehensive tool is an integral part of our incident investigation system. In 2014,

this process was significantly upgraded by adding Quality to the process. It helps identify causal factors, associated root causes, and the sequence of events leading up to an incident. We have also developed training, courses, and available data to improve the process and help prevent incident reoccurring.

FIRE PROTECTION

In line with our H&S risk assessments and incident investigation, we decided to invest in fire protection six years ago. In FY19 we made further investment, in a global fire protection capital investment program to upgrade fire and flood protection, based on best practices, audit results and incident investigations, at our largest factories. Projects include updating existing equipment, improving firewater retention, and advancing fire detection to the highest standards. We have now invested CHF 24.6 million since fiscal year 2014, and more than two thirds of the sites in the program have completed their upgrade projects.





FOSTERING OUR EMPLOYEES' WELL-BEING

We work with health experts, including doctors, toxicologists, industrial hygienists and HS&E specialists to explore ways of improving well-being at work. Created in FY18, our Global Occupational Health Network, met five times in FY19 and shared its findings globally through an intranet page available to all employees and partners. Our focus on employee's well-being echoes our purpose: "At Firmenich, we are creators of positive emotions to enhance well-being, naturally." We have developed a holistic well-being program that addresses the physical, mental, social and financial wellbeing of our people. Colleagues can also access non-occupational medical and healthcare services through our human resources initiatives ([see more information on page 74](#)).

NURTURING A CULTURE OF SAFETY EXCELLENCE

LONG-TERM COLLABORATION WITH THE CAMPBELL INSTITUTE

In 2012, Firmenich was the proud recipient of the international Robert W. Campbell Award, which recognizes organizations that achieve excellence through the integration of HS&E management in business operations. We have been involved with the Campbell Institute ever since, helping other companies on their HS&E journey. In FY19, we:

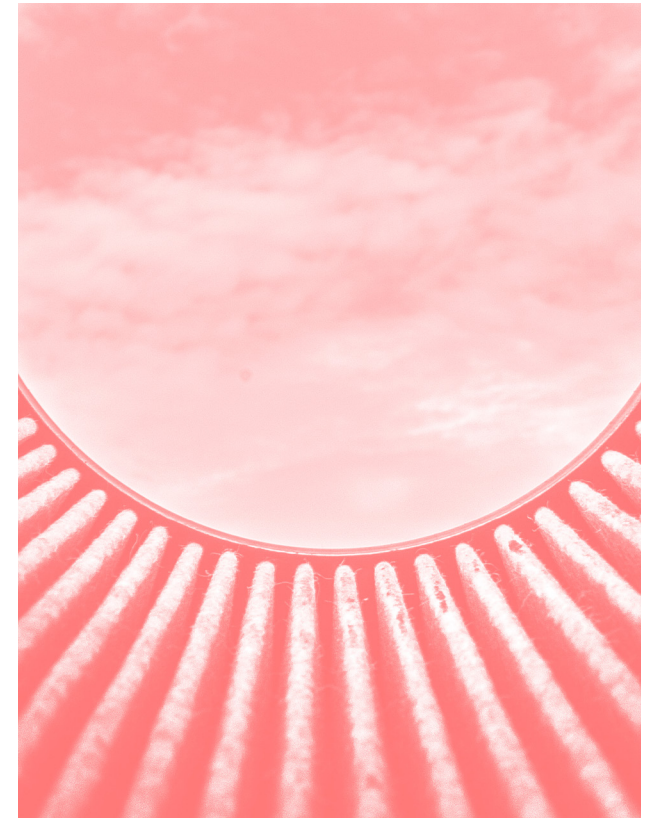
- Presented and moderated at the National Safety Council Congress Campbell Institute events in Houston, Texas
- Participated in the 2019 Campbell Award Review
- Collaborated in multiple working groups, including the Research (Knowledge), Participation, Outreach, and Events Subcommittees, as well as the Serious Injury & Fatality Prevention Work Group
- Attended the Campbell Institute Symposium in Seattle, Washington
- Worked with the William Davidson Institute (WDI) at the University of Michigan to draft a case study explaining our winning journey to be available on the members' [Campbell Institute website](#)

OUR SAFETY AWARDS

In FY19, we received two awards for our leading performance. In the UK, Firmenich Thirsk won the prestigious Royal Society for the Prevention of Accidents (RoSPA) Gold Award in recognition of our H&S achievements. Our occupational H&S performance was assessed by an independent expert panel against judging criteria aligned with RoSPA's goal to promote safety and the prevention of accidents. We were presented with the award during a ceremony in June 2019.

In the U.S., Firmenich New Ulm received a Meritorious Achievement Award for exemplary workplace safety efforts in 2018, from the annual Governor's Safety Awards program. This program honors Minnesota employers with exceptional safety performance.

These achievements illustrate our dedication to setting industry-leading standards in H&S, and keeping employees and partners safe at work.





PEOPLE

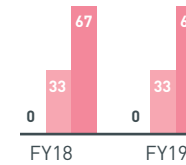
CHAMPIONING DIVERSITY AND EQUAL OPPORTUNITY

GRI 405

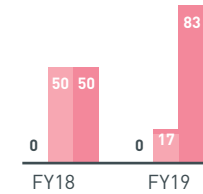
We believe that our diverse workforce helps us deliver on our business objectives because we benefit from the creativity and innovation of colleagues with different experiences, perspectives, backgrounds and abilities. Embracing our differences to work together around the world is a continuous journey fueled by passion from everyone, everywhere, every day. By championing diversity and fostering equal opportunity, we not only contribute to SDG 5 (Gender equality) but also work towards SDG 10 (Reduce inequalities).

business certification standard for gender equality, has recognized our success in driving a diverse and inclusive workforce worldwide, with equal opportunities for all. The EDGE certification sets stringent targets related to recruitment, development, promotion, cultural inclusiveness as well as no pay-gaps between men and women.

Executive Team : women (%)



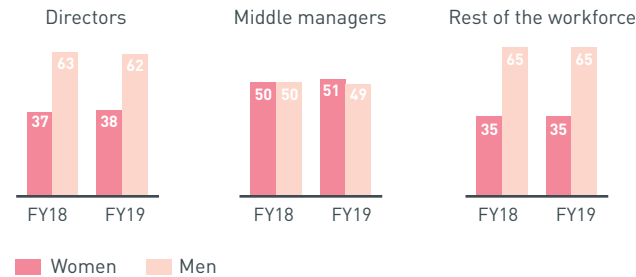
Executive Team : men (%)



< 30 years 30 - 50 years > 50 years

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES
GRI 405-1

Employment category (%)



OUR COMMITMENT TO GENDER EQUALITY AND WOMEN EMPOWERMENT

We are the seventh company in the world, and the first in our industry, to receive Global EDGE Certification for gender equality in the workplace, following a rigorous third-party audit. By awarding us this global endorsement, EDGE (Economic Dividends for Gender Equality), the leading

FLEXWORK: A SMART BUSINESS STRATEGY TOWARDS MORE INCLUSIVENESS

Through our vision “Work Smarter, Live Better, Grow Firmenich” we aim to create a working environment that meets the needs of a modern workforce, and to embrace the workplace of tomorrow. Aiming to build an inclusive culture answering different needs at different stages of life, FlexWork provides the flexibility to reduce friction and stress while being part of a thriving workplace [\(see more information on page 74\)](#).



WE ARE THE FAMILY-FRIENDLY COMPANY

Parental Leave

We have moved away from traditional maternity leave policies and are now focusing on gender neutral parental leave, covering both childbirth and adoption. We recognize all family models and the role of both parents, allowing fathers and mothers to actively participate in child care:

- Birth and adoptive parents who are the primary caregiver benefit from 16 paid weeks*
- Birth and adoptive parents who are the secondary caregiver benefit from 2 paid weeks*

This is a global minimum standard and is intended to supplement or exceed country legislation. If local law is more beneficial than this law will apply.

Our family-friendly approach also includes benefits before and after the arrival of a child, such as adjusted working conditions for expectant mothers, breastfeeding support and job protection for absences of up to 4 cumulative months.

* SPECIAL PROVISIONS APPLY IN THE U.S.

Extended benefits

We have processes in place to ensure we provide a core package of benefits so all of our employees worldwide have an adequate level of protection in the event of death,

disability, retirement and medical needs. For instance, in India, medical care is now offered to our employees' parents and parents-in-law. By doing so, we protect the parents of women, as well as of men, knowing that most frequently the parents of women find themselves without medical coverage if their daughters do not join the workforce, which is still the main trend in India.

DISABILITY IS PART OF OUR DIVERSITY & INCLUSION AGENDA

People with disabilities represent unique opportunities in labor-force diversity and corporate culture for our business and our industry. 40 years ago we started working in Switzerland with a local non-profit that specialized in helping people with physical and cognitive impairments find work and integrate into the workplace. Today we have expanded this work across six countries, helping more than 60 people, and we are proud to count amongst our ranks a double gold medalist in last year's Winter Paralympics.

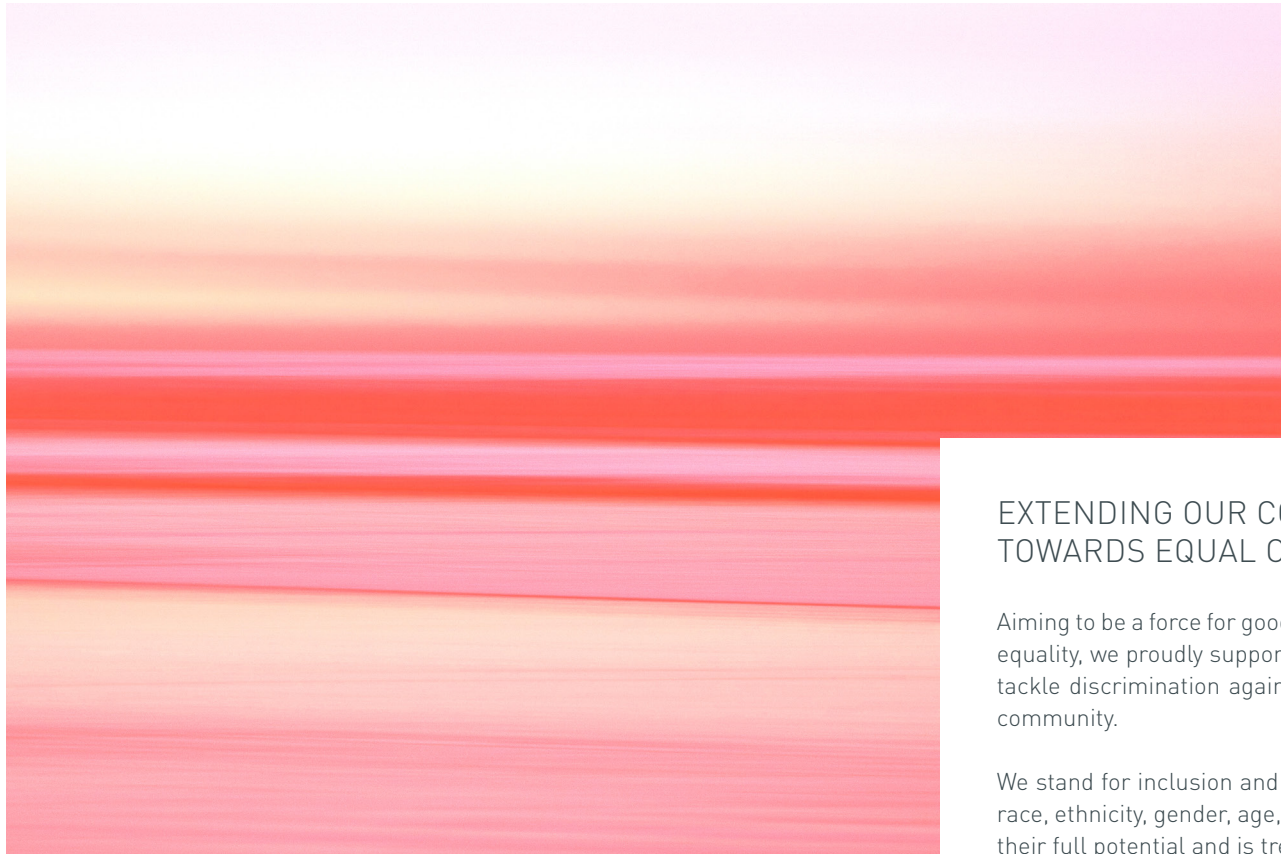
Blind and visually impaired panelists are valuable contributors to our flavors and fragrances testing. Over the past years, we have hired and trained 77 blind and visually impaired sensory panelists. Following successful pilots in Mexico and the UK, we have expanded the program to Switzerland, China, Brazil, Mumbai and Singapore. With an acute memory for flavors and odors, these colleagues are highly proficient sensory professionals and demonstrate superior results in a short timeframe, playing a critical role in our business success. In May 2018, we were

honored in Singapore with an International Business Award for our pioneering program to integrate visually impaired professionals across sensory panels. In May 2019, Firmenich Asia won the Innovative Project Award for the 5th Enabling Employers Awards (EEA), which recognizes companies that have put in place new ideas or innovative projects that improve employment, employability or productivity of persons with disability. We were recognized for developing assistive devices to effectively integrate blind and visually impaired panelists. These devices enable the panelists to enhance their working experience and embrace independence.

We have organized an annual Community Day for almost 15 years, to make a positive difference wherever we operate. Last year, more than 2,700 colleagues volunteered across 118 projects worldwide to support people with special needs.

OUR CEO'S COMMITMENT TO THE VALUABLE 500 GLOBAL MOVEMENT

In May 2019, our CEO joined The Valuable 500 movement, alongside 25 other global business leaders from companies including Unilever, Accenture, Microsoft and Virgin Media. The initiative aims to encourage 500 of the world's leading companies to put disability on their business leadership agenda. By signing the Valuable 500 pledge, we are taking our commitment to the next level and look forward to working closely with Valuable 500 members to accelerate this movement.



EXTENDING OUR COMMITMENT TOWARDS EQUAL OPPORTUNITY

Aiming to be a force for good and active agents of change to achieve global progress towards equality, we proudly support the United Nations' Standards of Conduct for Business to help tackle discrimination against LGBTI people in the workplace, the marketplace and in the community.

We stand for inclusion and belonging: every person, regardless of their sexual orientation, race, ethnicity, gender, age, economic status, or disability, has an equal opportunity to reach their full potential and is treated with respect and dignity, free from stigma.

We believe the LGBTI Standards of Conduct for Business will help us make it possible for more people to bring their authentic selves to work and contribute to positive social change in the communities where we do business.



06

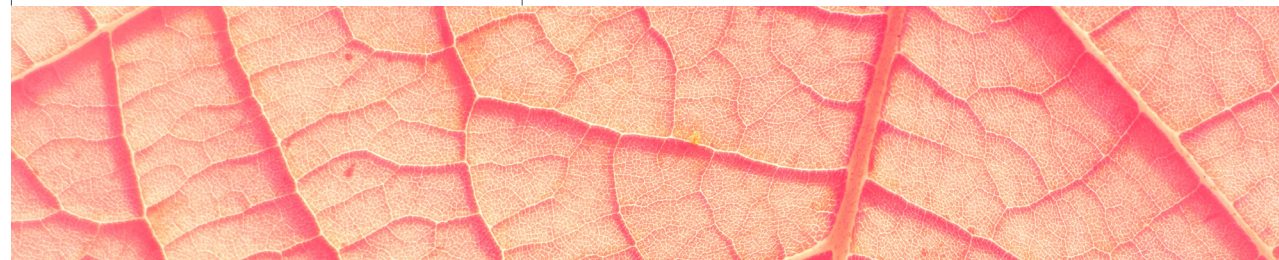
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RUNNING A RESPONSIBLE
BUSINESS



RUNNING A RESPONSIBLE BUSINESS

2020 GOAL	FY19 PROGRESS
Maintain a best-in-class legal compliance program	<ul style="list-style-type: none"> ● ● ● Continued to promote a culture of ethics and compliance by: updating our policies and standards; raising awareness through training, communication and guidance to strengthen governance; having managers champion ethics; and making employees feel accountable
Further improve our excellent product quality	<ul style="list-style-type: none"> ● ● ● Achieved a Customer Quality Index (CQI) of less than one product defect per 1,000 sales order lines.



As a responsible company, we have an unwavering commitment to performance with integrity. The Firmenich Fundamentals call on each and every one of us to “strictly maintain the highest level of personal integrity and ethical values”. While we operate with integrity and continuously deliver the highest standards of product quality and safety, we recognize that a significant part of our impact as a company occurs beyond our fence which is why we collaborate with our suppliers and partners to support sustainable supply chains.

Progress key

- ● ● More to do
- ● ● On track
- ● ● Met



ENSURING HIGH STANDARDS OF BUSINESS INTEGRITY

Business integrity is a cornerstone of our culture. It is critical to our reputation as a family-owned company and to our relationships and collaborations with our business partners. Business integrity is embedded in our Code of Ethics and Business Conduct, and is part of our day-to-day actions and behaviors.

BUSINESS ETHICS

Succeeding in an ethical way is non-negotiable for us. The Firmenich Fundamentals call on all of our employees to “strictly maintain the highest level of personal integrity and ethical values”. In our day-to-day work, we need to be sure we perform with a level of integrity and ethical excellence that sets us apart. Our Code of Ethics contains the Firmenich Fundamentals and serves as a guide to help us make good decisions. It is available in six different languages for our employees as well as our business partners: Chinese, English, French, Portuguese, Russian and Spanish.

KEY HIGHLIGHTS AND NEWS

- On September 27, 2018 we launched a global training for 6,678 employees on our Code of Ethics & Business Conduct
- On November 7, 2018 we launched a Firmenich Hotline awareness campaign with posters in nine different languages
- In April 2019, affiliates around the world held a Legal & Compliance Day that helped present and promote key compliance and ethics to employees in an open forum
- The Global Ethics Committee, whose purpose is to oversee, review and enhance integrity across the company, met every quarter, following meetings of regional and local ethics committees
- We are finalizing a Firmenich Conflicts of Interest policy and disclosure process
- We are preparing a new series of Code of Ethics, anti-bribery, and anti-harassment and anti-competition law online training materials

OUR VALUES, PRINCIPLES AND STANDARDS

GRI 102-16

The Firmenich Code of Ethics and Business Conduct summarizes our values. It is designed to outline the main principles of professional integrity and help each of us make the right decisions in the course of our work.

It is the personal responsibility of all employees and third parties, to read and understand the Code and commit to uphold its principles. With that in mind, we launched a global training campaign in September 2018, to ensure Firmenich employees fully understand and are familiar with our Code of Ethics. We tracked and monitored completion rates and followed up individually with affiliates as needed.

The new Code of Ethics, anti-bribery and anti-harassment and anti-competition training courses, together with the Gift and Entertainment training, will be rolled out periodically according to a defined timeline and also form part of the onboarding program for all new employees.



OUR SPEAK UP CULTURE

GRI 102-17

Employees are encouraged to speak with their manager, Business Ethics, Legal or Human Resources to seek advice about ethical and lawful behavior and organizational integrity.

If an employee finds out or suspects that there has been a violation of the Code of Ethics, they should report it immediately to a manager or a member of senior management. Any potential violation may also be brought directly to the attention of the VP Business Ethics, the General Counsel or the Head of Human Resources or via the **Firmenich Hotline**. All investigations are handled impartially, and the information will be disclosed to others on a need-to-know basis or as required by law.

The **Firmenich Hotline** is a phone and web reporting tool, available 24 hours per day to employees and third parties, which is operated by specially qualified third-party representatives. The cases reported are passed on to qualified personnel in our company for further follow-up. Hotline statistics and summaries of founded serious violations are shared with the Global Ethics Committee. For FY19 (as of April 16, 2019) we received 39 hotline reports, mainly related to issues such as disrespect for people, misconduct or inappropriate behavior, conflict of interest, discrimination and anti-bribery. All cases received were reviewed and investigated, and actions were taken when needed.

We prohibit retaliation against anyone who in good faith seeks advice, raises a concern, reports misconduct or cooperates in an investigation.

OUR STANCE ON ANTI-CORRUPTION

Our corporate and personal integrity is non-negotiable. We do not tolerate corruption or bribery of any kind. Each of us must adhere to the highest ethical standards of conduct in all of our business activities and must act in a manner that enhances our company's reputation.

COMMUNICATION AND TRAINING

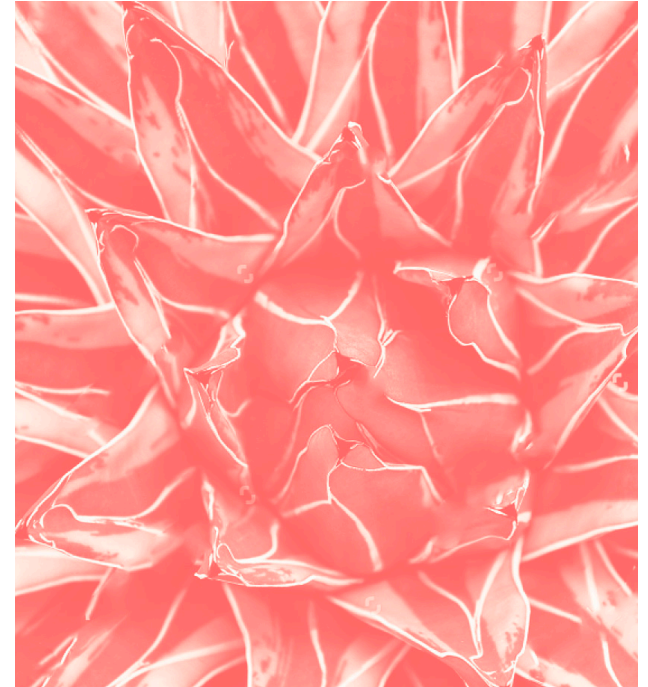
GRI 205-2

On November 26, 2018 we launched a global Gift and Entertainment training campaign to promote and encourage the use of the Gift Register, in particular before the year-end season. Our global Gift and Entertainment training explains the general principles of our Gift and Entertainment Policy and provides guidance about how to act when gifts are offered and received within our business relationships. The course includes a step by step tutorial on how to use the Gift Register. We have tracked and monitored completion rates and followed up individually with affiliates as needed. Training is available in Chinese, English, French and Spanish.

In December 2018 we posted an anti-bribery reminder on our intranet to remind all of us of the importance of doing business with integrity at all times. The post included a 'Do & Don't' list with examples of acceptable and non-acceptable activities.

In February 2019, we provided two sessions of anti-bribery training tailored to employees involved in logistic activities. The objective of the training campaign was to increase

awareness of what constitutes bribery and corruption and explain how to avoid corrupt practices among employees involved in logistics activities because of the additional care we need to take when working with third parties. 81 logistics personnel attended these two sessions. In June 2019, three workshops on anti-bribery and anti-corruption were held in South East Asia with the participation of 52 employees. We are preparing new global anti-bribery on-line training materials. We aim to roll out the new materials in Q3 2019.



RUNNING A RESPONSIBLE BUSINESS

ENSURING PRODUCT SAFETY AND QUALITY



Quality is integral to Firmenich. We have a long history of achieving outstanding product quality and service, driving customers' successes, and exceeding customers' requirements and expectations. We continuously aim to improve product quality and achieve a Customer Quality Index (CQI) of less than one product defect per 1,000 sales order lines.

CREATING A CULTURE OF PREVENTION

We aim to integrate quality assurance processes into all aspects of our business. Investing in quality assurance will shift the focus in quality and service, foster a culture of prevention, and assure quality throughout the entire value chain.

To enhance these processes, we have expanded our quality assurance organization by more than 20% in all of our operating regions. We have also launched several quality excellence projects to strengthen customer service quality, supplier product performance, and manufacturing product quality performance, supporting significant improvements, including:

- Sales order delivery service complaints reduced by 10%
- Purchased raw material product non-conformances reduced by 38%
- Internal manufacturing product defects reduced by 20%

OUR PERFORMANCE

FY19 achievements include:

- Over 99.91% sales orders were delivered product defect-free
- 48% product quality improvement since 2014
- State of the art quality control laboratory opened in Zhangjiagang, China, with analytical, sensory and microbiological testing capabilities
- CHF 5.6 million capital investment in plant quality assurance, quality control laboratory equipment and upgrades

LEADERSHIP IN FOOD PROTECTION

Food protection (which includes food safety, food defense, and food fraud mitigation) is a key component of product safety and product security assurance. Our leadership in this area is demonstrated by accolades from customers and the industry alike. These include:

- Zero consumer product recalls involving products supplied by Firmenich
- Zero product non-compliances on flavors provided by Firmenich to a global client
- Successful implementation of the Food Safety System Certification FSSC22000 V4.1
- Successful event on the UN World Food Safety Day shared with clients in each region, to drive culture change
- Three awards on Food Protection Culture Transformation, covering 11 global projects
- Food industry recognition from one of our customers for our expertise in the area of food fraud





RUNNING A RESPONSIBLE BUSINESS

OUR REGULATORY COMPLIANCE



COMPLIANCE AND COLLABORATION

We engage widely, proactively, and transparently, to share expertise and build collective understanding in the management of compliance with regulations around the world. This includes ongoing participation in a range of expert committees at national and international level, as well as presentations and knowledge exchanges via industry and scientific symposiums.

Our Product Safety and Registration group continues to work with the relevant authorities around the world for the simplification and harmonization of chemical regulations, without compromising safety or compliance. Through our global chemicals registration and safety program, we constantly strengthen our expertise on human health and environmental matters and our commitment to

sustainability. We continue to explore ways to improve our chemicals management and integrate the strategic priorities of bodies managing chemical safety around the world into our corporate sustainability strategies and goals.

KEY HIGHLIGHTS AND NEWS

FY19 achievements include:

- Successful Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) inspection at our site in Grasse in April
- Full implementation of our new bespoke tool for tonnage and conformity tracking in Europe, and the start of its development for other regions around the world



PRIORITIZING CUSTOMER HEALTH & SAFETY

We joined the Humane Society International (HSI) #BeCrueltyFree campaign, to promote the ban of animal testing for safety purposes in cosmetics in all major markets by 2023. Animal testing for safety in cosmetics is already banned in the EU since 2013 and #BeCrueltyFree is now advocating for legislative reform in key beauty markets, to prohibit cosmetic animal testing worldwide. We have bespoke toxicology and ecotoxicology research programs to develop non-animal approaches for assuring the safety of our products, through which we collaborate with many partners around the world openly sharing scientific expertise and progress. We also believe in advocating broadly and developing solutions across our value chain along with like-minded organizations, to enable the safety assessment of all products and ingredients without any need for animal testing.

KEY HIGHLIGHTS AND NEWS IN CUSTOMER HEALTH & SAFETY

- Launch of Humane Society International #BeCrueltyFree campaign with our support. We participated in the first meeting in Washington DC in May, finalizing the framework and project planning and contribute through our scientific expertise in non-animal approaches in product safety.
- Presentation at key international toxicology conferences about our innovative work done to support non-animal alternatives for higher tier genotoxicity testing and risk assessment (TEGA assay) and about our groundbreaking work related to understanding the effects of indoor exposure to fragrance on respiratory function and inflammation
- Four presentations at international conferences (SETAC and American Chemical Society) about:
 1. The use of alternative approaches to reduce testing on fish for global regulations
 2. A comprehensive risk assessment on a key substance, Helvetolide™, demonstrating safe use in the environment
 3. In collaboration with other partners, a methodology for the Environmental Risk Assessment of naturals
 4. A description of how photodegradation of substances in the Environment is an important potential route of degradation
- Appointment of Dr. Sylvain Etter to the IOFI Science Board





RUNNING A RESPONSIBLE BUSINESS

SUPPORTING MORE SUSTAINABLE SUPPLY CHAINS

Much of the impact we have as a company occurs beyond our own facilities, in complex supply chains that reach as far back as individual smallholder farmers and producers in remote locations of the world. With a deep commitment to transparency, we take a systematic approach to assessing risk and managing compliance, supported by our membership of the Supplier Ethical Data Exchange (Sedex) and EcoVadis – both of which are global platforms for empowering ethical supply chains and reducing corporate footprints. Our close collaboration with an independent third-party audit partner helps us accelerate our responsible sourcing program.

In FY19, we created SQUAD (Sustainability Questionnaires Unit for Action and Delivery), a cross-functional team put in place by the Global Sustainability team to facilitate teamwork and the integration of solutions, including responses to questionnaires received from customers.



ASSESSING OUR SUPPLIERS' ENVIRONMENTAL AND SOCIAL STANDARDS

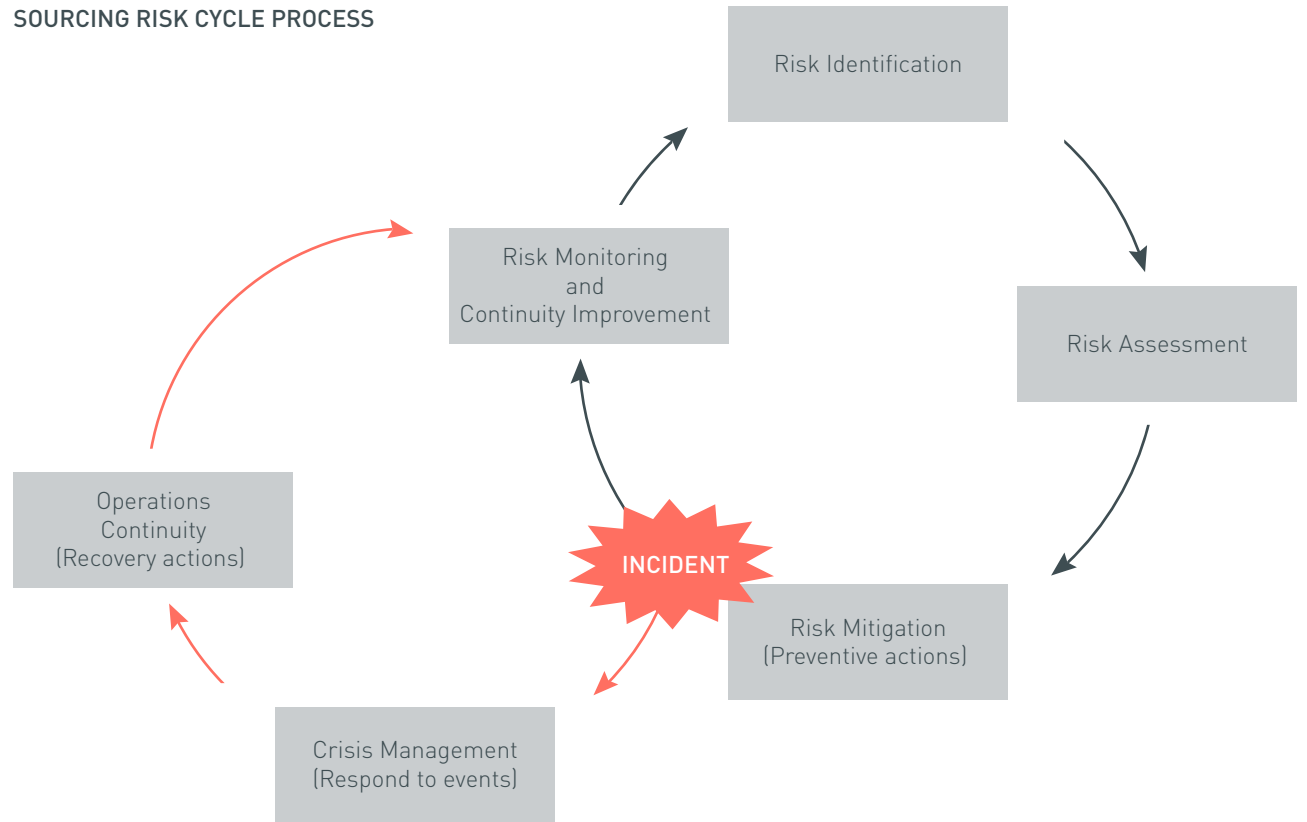
Our Corporate Purchasing Policy includes the Supplier Qualification process definition. This Qualification, takes into account the acceptance of our Code of Conduct (CoC) and Social Accountability standards covering child and forced labor, health and safety, freedom of association and collective bargaining, discipline, discrimination, working hours and wages.

During the year we ran two campaigns to reinforce the CoC coverage among India-based suppliers and carriers worldwide. Adherence to Firmenich CoC represents 96% of the expenditure for raw materials suppliers whereas it represents 70% of the expenditure for non-raw materials suppliers.

ENSURING SECURITY OF SUPPLY OF RAW MATERIALS

Ensuring security of supply of raw materials is a high-priority for us, as it is critical to anticipate and prevent supply shortages. Our sourcing team uses the Sourcing Risk Cycle Process to enhance our decision making in several risk situations.

SOURCING RISK CYCLE PROCESS



Complemented by the right sizing of the safety stock, we have mitigated risks by increasing dual sourcing, assessing supplier business continuity plans and reinforcing supplier audits.



IMPLEMENTING AND EXTENDING SUPPLIER QUALIFICATION

GRI 308-1 and 414-1

As part of the Qualification process, supplier Qualification approval through the Compliance Self-Assessment Questionnaire (CSAQ) is mandatory for all raw material and packaging purchases. The CSAQ covers Social accountability, Legislation, Food safety, Quality and HSE standards (e.g. ISO9001, GMP's, FSSC22000, SMETA, SA8000, OHSAS18001, and ISO14001). Depending on assessed topics results, the Qualification process also includes an audit program for suppliers further along the supply chain. The plan is defined on an annual basis and we conduct it in collaboration with our third party auditor.

We also run a risk assessment that allows us to classify our suppliers in three risk categories: high, medium and low. We use our own internal assessment methodology to do this. It is based on several risk criteria, including geopolitical, economical, compliance, quality, reputational and product type. The overall result aggregates scores from across all topics to give the final risk rate. This classification is also taken into account in our audit plan prioritization.

During FY19 we launched a Compliance Self-Assessment monitoring campaign, aiming to update the information on our entire manufacturers base (tier 1 and tier 2). Today 80% of the suppliers have answered and updated the CSAQ questionnaire on Social accountability, Legislation, Food safety, Quality and HSE topics. The remaining 20%

of suppliers are managed on a case by case basis taking into account the size and resources of a supplier. While our approach is to engage in an ongoing dialogue with these suppliers, we may decide not to work with a supplier if we see that we are not aligned on essential principles and requirements.

In FY19, a specific, reinforced HSE audits scope was completed in China and India to closely monitor the growing local environmental protection laws and fire incidents in those regions. We also improved our internal audit planning monitoring processes with vendor portal enhancements and a supplier audit follow-up dashboard. Additionally, the Desktop audit checklist coverage was also reviewed and human right topics are now mandatory to be covered in these types of audits.

AUDIT PROGRAMS

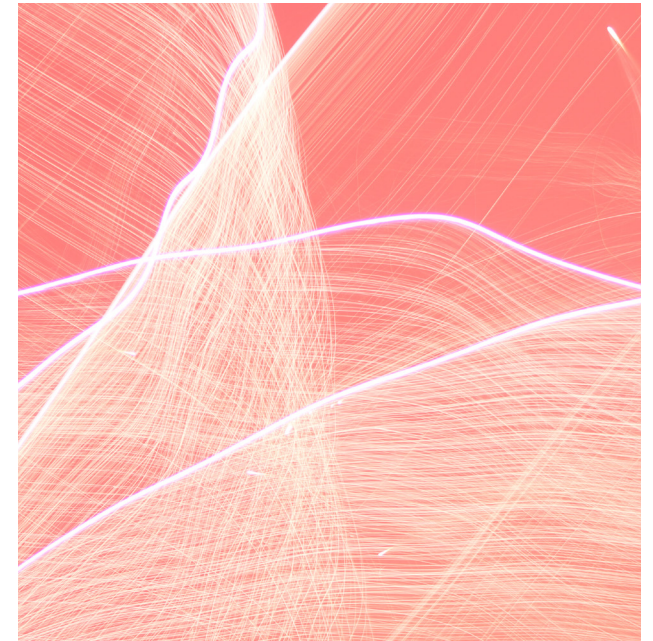
We have two types of audits:

• Firmenich site audits

Over many years, we have been conducting corporate operational assurance reviews at our sites using a team of safety specialists and since 2014 we have expanded these audits to cover quality. We aim to visit manufacturing sites every three years using a multidisciplinary team to measure and monitor the maturity of our affiliates' Quality, Health, Safety & Environmental (QHSE) management systems against our global mandatory management principles and operational codes.

• Supplier site audits

Thorough auditing of our supply chain adds to customer confidence in the integrity of our products, helps us reduce risks, and avoids product recalls. In FY19, our Supplier Audit Program covered approximately 150 active manufacturers. Those that we deem to be high risk are mainly assessed by Firmenich's team of lead auditors in Quality, Health, Safety, Security, and Environment (QHSSE) and Purchasing, while those considered to be low or medium risk are referred directly to an independent third-party audit partner.





PLATFORMS DRIVING SUSTAINABLE SUPPLY CHAINS

SEDEX

We have been a member of Sedex (Supplier Ethical Data Exchange) for nine years and we use this global platform both as a supplier and a buyer. We also use Sedex risk assessment tools at our manufacturing sites. If assessments show any issues, we work together to solve them. As part of our Firmenich Fundamentals we asked our suppliers to register on Sedex and share information about their business practices. Our suppliers' sites adherence to Sedex has increased from 432 in FY18 to 515 in FY19.

ECOVADIS

EcoVadis ratings and scorecards help us to further scrutinize and support suppliers. The methodology is based on international responsibility standards, covering 198 industries and 155 countries. We were rated as a Gold EcoVadis company in FY18, for the third consecutive year. Our score of 82/100 puts us in the leading pack of the top performers. In FY19, we focused on how to maximize our benefits from the platform, and on sharing our insights with others at the annual EcoVadis Sustain conference.

CDP SUPPLY CHAIN

Firmenich is among the 125 CDP supply chain members who are engaging over 13,000 suppliers on environmental issues. By asking suppliers to disclose, measure, and act on their environmental impact, supply chain members aim to foster a cascading effect that has the potential to drive down emissions, improve water security and end deforestation. For more information please see [page 62](#).



07

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APPENDIX



APPENDIX

ABOUT THIS REPORT

**GRI 102-45, 102-48, 102-49, 102-50,
102-51, 102-52, 102-53, 102-54**

As part of our new approach to sustainability reporting and disclosure, this year we have decided to produce a more technical report covering our most material issues and providing information on our 2020 goals, progress and performance. This report is targeted at a specialist audience and is used for continuous improvement of our reporting processes and disclosures. It is issued alongside a Purpose Magazine bringing to life our purpose and targeted at a non-specialist audience.

Our financial results and sustainability initiatives are reported on a fiscal year basis. In this report, all references to “FY19” relate to the 12 months ended June 30, 2019. This report has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core option. Since 2006, we have reported annually on our sustainability performance and activities. Our most recent report was published in 2018. This report and our previous reports have been fully assured by a third party to ensure that information, data, and examples are accurate. This level of assurance

helps us make sure that we report only the facts and that we are protected from falsehoods and misinformation, whether intentional or unintentional. Our GRI Index, also assured by Société Générale de Surveillance (SGS), can be found in the Appendix of this report and on our website (link to the Index). The boundaries of this report are based on the materiality analysis published in this report and available in a separate document. These boundaries cover the global operations of the Firmenich Group, including affiliates and both manufacturing and non-manufacturing locations.

In total, Firmenich owns 33 manufacturing plants. For reporting purposes, the environmental data presented in this report covers 31 manufacturing plants, and excluding one recently opened site and a strategic partner. Both sites will be fully integrated in FY20 and available FY19 environmental data will be retroactively included.

After we fully integrate these facilities and have enough information to understand their impact, we will re-calculate

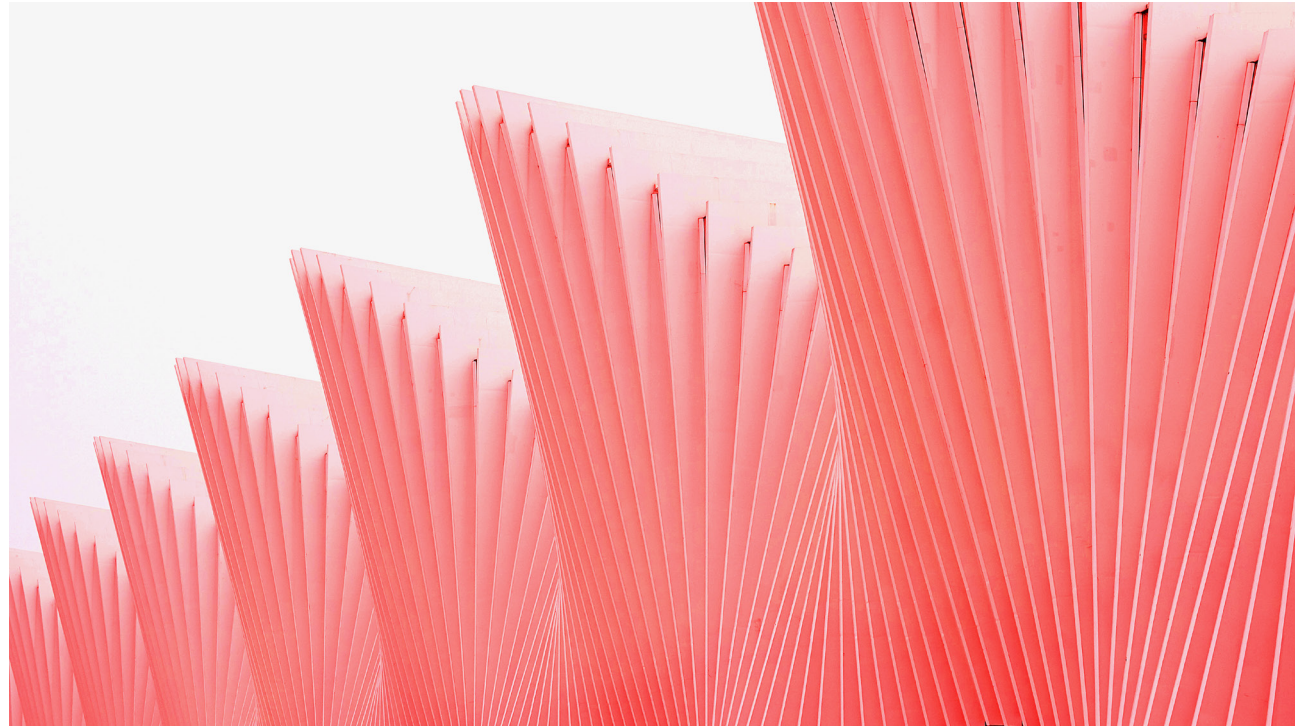
our baseline data as needed, in accordance with the GHG Protocol guidance. Delaying our baseline recalculation slightly reduces our environmental performance results (our CO₂e reduction would have been even greater if we had included those facilities into the base year, while we only included these new facilities’ CO₂e performance in the current fiscal year but not the base year) but not significantly.

The workplace and HR data reported covers all operations owned or controlled by the Group (including production sites, sales offices, laboratories, administrative offices, or combinations of such facilities). The employee data is reported for both fixed and temporary headcount, while new hires and terminations figures cover fixed employees only and doesn’t include acquisitions. Data is sourced from SAP reports and HR Monthly Headcount files that were extracted in July. We made an assumption on the employee categories: Directors (CL 16+), Middle Managers (CL 14-15) and Rest of the Workforce (CL 11-13).



To highlight our performance, the previous year's data and rolling five-year data are included where relevant in this report. Some of this data may differ from figures reported in previous sustainability reports. These variations reflect improvements made in the calculation and consolidation methods, as well as changes made once more accurate data became available. Any changes in data reporting below a 1% threshold are deemed not material to this report unless they are found to be of sufficient importance to our management team; in these cases, the explanation for the variation will be detailed.

For any questions on the report, please contact:
global.sustainability@firmenich.com






APPENDIX

INDEPENDANT ASSURANCE
STATEMENT

GRI 102-56



ASSURANCE STATEMENT

SGS SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE SA REPORT ON SUSTAINABILITY ACTIVITIES IN THE FIRMINICH PERFORMANCE AND SUSTAINABILITY REPORT FOR 2019

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 Performance & Sustainability Report 2019. 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

The information in the Firmenich Performance and Sustainability Report 2019 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 Performance and Sustainability Report 2019.

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.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity;
- evaluation of the report against the GRI Standards (current edition)

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at the Headquarters in Geneva, documentation and record review. Data has been assured at corporate level; base data utilized in the calculation of the consolidated figures have not been assured.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of the assurance process, including the statement #1 in line fragrance.

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 flavours and fragrance industry.

VERIFICATION/ ASSURANCE OPINION
On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Firmenich Performance and Sustainability Report 2019 is accurate, reliable and provides a fair and balanced representation of Firmenich sustainability activities in financial year ending 2019.

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 Performance and Sustainability Report 2019 is presented in accordance with the core option for GRI Standards (current edition) and fulfils 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 to 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 core requirements of GRI Standards (current edition).

RECOMMENDATIONS
Opportunities were identified for consideration in future reporting cycles to ensure continual improvement, including:
Firmenich should continue to work towards alignment with GRI 'Comprehensive level' reporting. Further recommendations for this are included in the Internal Management Report.

Signed for and on behalf of SGS Société Générale de Surveillance SA - Geneva, September 2019



Stéphane ROMBALDI
SGS Société Générale de Surveillance SA
Certification & Business Enhancement
WWW.SGS.COM

APPENDIX

PERFORMANCE INDICATORS

	FY18	FY19
EMPLOYEES AND OTHERS WORKERS - GRI 102-8		
Workforce by contract type and gender		
Permanent contract		
Men	4,028	4,206
Women	2,736	2,895
Temporary contract		
Men	269	303
Women	146	163
Workforce by contract type, region and gender		
Permanent contract		
Europe	2,566	2,765
Men	1,477	1,593
Women	1,089	1,172
India, Middle East & Africa	677	698
Men	502	517
Women	175	181

	FY18	FY19
North America	1,406	1,458
Men	859	879
Women	547	579
South America	807	825
Men	489	493
Women	318	332
North Asia	732	776
Men	417	441
Women	315	335
South & East Asia	576	579
Men	284	283
Women	292	296
Temporary contract		
Europe	280	313
Men	209	234
Women	71	79

	FY18	FY19
India, Middle East & Africa	8	18
Men	2	6
Women	6	12
North America	52	46
Men	20	14
Women	32	32
South America	34	51
Men	24	38
Women	10	13
North Asia	12	10
Men	1	3
Women	11	7
South & East Asia	29	28
Men	13	8
Women	16	20

	FY18	FY19
Workforce by working day and gender		
Full-time Employment		
Men	4,251	4,451
Women	2,627	2,811
Part-time Employment		
Men	46	58
Women	255	247
NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER - GRI 401-1		
New employee hires by gender and age group		
Men		
< 30 years	154	141
30-50 years	289	302
> 50 years	40	28
Total	483	471
Women		
< 30 years	147	157
30-50 years	190	212
> 50 years	17	16
Total	354	385
New employee hires by gender and region		
Men		
Europe	148	161

	FY18	FY19
India, Middle East & Africa	29	39
North America	127	135
South America	92	66
North Asia	60	55
South & East Asia	27	15
Women		
Europe	132	140
India, Middle East & Africa	23	23
North America	67	78
South America	49	52
North Asia	47	63
South & East Asia	36	29
New employee hires by gender, age group, and region [%]*		
Gender		
Men	57.7	55.0
Women	42.3	45.0
Age group		
< 30 years	36.0	34.8
30-50 years	57.2	60.0
> 50 years	6.8	5.1
Region		
Europe	33.5	35.2

	FY18	FY19
India, Middle East & Africa	6.2	7.2
North America	23.2	24.9
South America	16.8	13.8
North Asia	12.8	13.8
South & East Asia	7.5	5.1
* Rates are calculated based on the total number (men and women) of new hires		
Total number of employee turnover* by gender, region, and age		
Men		
Europe		
< 30 years	74.5	90.2
30-50 years	858.5	979.8
> 50 years	498.4	428.5
Grand total	1431.4	1498.5
India, Middle East & Africa		
< 30 years	66.3	69.8
30-50 years	371.6	414.7
> 50 years	27.8	26.4
Grand total	465.7	510.8
North America		
< 30 years	77.9	87.5
30-50 years	411.0	437.9
> 50 years	382.0	334.0
Grand total	870.9	859.4

	FY18	FY19
South America		
< 30 years	91.9	91.9
30-50 years	346.3	351.8
> 50 years	49.1	44.8
Grand total	487.3	488.5
North Asia		
< 30 years	42.2	52.2
30-50 years	317.3	334.3
> 50 years	54.5	47.7
Grand total	413.9	434.1
South & East Asia		
< 30 years	63.3	67.3
30-50 years	192.1	186.3
> 50 years	32.7	28.6
Grand total	288.1	282.1
Grand total < 30 years	416.2	458.8
Grand total 30-50 years	2496.7	2704.6
Grand total > 50 years	1044.3	910.0
Grand total (all age groups)	3957.2	4073.4

	FY18	FY19
Women		
Europe		
< 30 years	110.4	126.6
30-50 years	674.0	760.3
> 50 years	227.4	200.3
Grand total	1011.8	1087.1
India, Middle East & Africa		
< 30 years	23.3	30.7
30-50 years	127.6	139.5
> 50 years	6.8	6.8
Grand total	157.8	177.0
North America		
< 30 years	69.8	80.8
30-50 years	271.2	300.1
> 50 years	195.8	169.2
Grand total	536.8	550.1
South America		
< 30 years	53.0	69.8
30-50 years	216.3	225.0
> 50 years	40.5	29.1
Grand total	309.8	323.9

	FY18	FY19
North Asia		
< 30 years	49.9	58.3
30-50 years	250.4	261.2
> 50 years	13.0	10.8
Grand total	313.3	330.2
South & East Asia		
< 30 years	38.6	43.3
30-50 years	210.8	215.5
> 50 years	38.9	33.7
Grand total	288.3	292.4
Grand total < 30 years	345.1	409.3
Grand total 30-50 years	1750.3	1901.6
Grand total > 50 years	522.4	449.8
Grand total (all age groups)	2617.8	2760.7
* FY19 M&A sites (Campus and FirDiego) are excluded from turnover sections		
Total rate of employee turnover* by gender, region, and age		
Men		
Europe		
< 30 years	5.4	14.2
30-50 years	5.5	10.7
> 50 years	8.9	5.5

	FY18	FY19
India, Middle East & Africa		
< 30 years	0.0	7.2
30-50 years	4.8	15.1
> 50 years	3.6	4.1
North America		
< 30 years	32.1	35.4
30-50 years	15.6	12.5
> 50 years	13.9	13.1
South America		
< 30 years	26.7	12.0
30-50 years	16.5	6.7
> 50 years	14.3	11.9
North Asia		
< 30 years	23.7	3.8
30-50 years	10.1	2.1
> 50 years	14.7	8.1
South & East Asia		
< 30 years	9.5	3.0
30-50 years	11.5	3.5
> 50 years	3.1	8.1
Grand total < 30 years	16.7	13.9

	FY18	FY19
Grand total 30-50 years	9.6	10.7
Grand total > 50 years	11.0	7.8
Women		
Europe		
< 30 years	9.0	13.4
30-50 years	7.5	11.7
> 50 years	7.7	5.8
India, Middle East & Africa		
< 30 years	12.9	6.5
30-50 years	10.2	25.3
> 50 years	14.7	12.9
North America		
< 30 years	15.8	13.6
30-50 years	7.0	18.0
> 50 years	12.4	6.0
South America		
< 30 years	11.3	14.3
30-50 years	15.4	17.2
> 50 years	12.3	10.2
North Asia		
< 30 years	10.0	20.6
30-50 years	10.4	9.3

	FY18	FY19
> 50 years	0.0	9.6
South & East Asia		
< 30 years	20.7	13.9
30-50 years	10.8	8.9
> 50 years	10.3	8.7
Grand total < 30 years	12.4	14.2
Grand total 30-50 years	9.4	14.4
Grand total > 50 years	9.9	7.7

* FY19 M&A sites (Campus and FirDiego) are excluded from turnover sections

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES - GRI 405-1

Employees by gender and employment category

Men		
Directors	540	579
Directors (%)*	63	62
Middle managers	1,092	1,166
Middle managers (%)*	50	49
Rest of the workforce	2,396	2,461
Rest of the workforce (%)*	65	65
Women		
Directors	320	348
Directors (%)*	37	38

	FY18	FY19
Middle managers	1,114	1,212
Middle managers (%)*	50	51
Rest of the workforce	1,302	1,335
Rest of the workforce (%)*	35	35
* Rates are calculated per employee categories.		
Senior executive members by gender and age group		
Men		
< 30 years	0	0
< 30 years (%)*	0	0
30-50 years	3	1
30-50 years (%)*	50	17
> 50 years	3	5
> 50 years (%)*	50	83
Women		
< 30 years	0	0
< 30 years (%)*	0	0
30-50 years	1	1
30-50 years (%)*	33	33
> 50 years	2	2
> 50 years (%)*	67	67
* Rates are calculated per gender		

	FY18	FY19
HEALTH & SAFETY* - GRI 403-9		
Incidents		
Lost-time injury** (LTIs)	5	7
Total-recordable cases*** (TRC's)	15	14
Lost-time injury rate (LTIR)	0.07	0.09
Fatalities	0	0
Lost-time injury (LTI) by region		
Europe	4	4
India, Middle East & Africa	0	2
North America	0	0
South America	1	1
North Asia	0	0
South & East Asia	0	0
Grand total	5	7
Total recordable cases (TRC) by region		
Europe	7	6
India, Middle East & Africa	2	2
North America	5	3
South America	1	2
North Asia	0	0
South & East Asia	0	1

	FY18	FY19
Grand total	15	14
Lost-time injury (LTI) by gender		
Male	5	7
Female	0	0
Total recordable cases (TRC) by gender		
Male	12	14
Female	3	0

*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).

	BASELINE FY15	FY18	FY19
ENVIRONMENT			
CO₂ Emissions (Tonnes) - GRI 305-1; 305-2			
Scope 1: Direct Energy Source	73900.27	74010.56	71647.46
Scope 2: Indirect Source (marked based)	72109.58	54284.91	30282.24
Total Scope 1 & 2 CO ₂ Emissions	146009.85	128295.47	101929.70
Water footprint reduction in water-stressed area (m ³ /tonne)	7.2	6.8	6.5
Energy (GJ) - GRI 302-4			
Direct Energy (own source)	1212410.75	1230891.14	1246192.33
Indirect Energy: purchased (inc. electricity, steam, etc.)	773297.95	844291.46	818678.10
Total Energy	1985708.71	2075182.60	2064870.43
Water input (m³) - GRI 303-1			
Municipal	1367562.29	1395616.13	1519746.48
Ground	82130.27	66909.61	84061.23
Municipal and ground	1449692.56	1462525.74	1603807.71
Surface	2937878.00	3273072.00	3521912.00
Recycled/Reused		16526.70	14735.00
Total	4387570.56	4735597.74	5125719.71
CO₂ Emissions (Tonnes) - GRI 305-3			
Scope 3: Other Indirect Sources			
Purchased Goods & Services [3]	NA*	4071421	3336562

	BASELINE FY15	FY18	FY19
Downstream transportation & distribution [4]	NA*	31317	42870
Waste generated in operations [6]	NA*	16653	16268
Business Travel [5]	NA*	17420	16398
Employee Commuting [7]	NA*	30180 [1]	32257
Total Scope 3 CO ₂ Emissions	NA*	4166991	3444355
Others (Tonnes) - GRI 305-7			
NOx	74.05	79.96	101.42
SOx	30.14	29.74	35.64
VOC	207.60	228.48	217.03
Production QTY (Tonnes)			
	192409.99	212572.12	227096.19
Effluent discharge (m³) - GRI 306-1			
Direct discharge – with on-site treatment	615451.44	719570.99	668983.35
COD – Direct discharge with on-site treatment (Tonnes)	266.22	409.76	139.25
Discharge to off-site municipal wastewater system	669496.82	644479.13	798898.37
COD – Discharge to off-site municipal wastewater system (Tonnes)	1844.72	1885.62	1917.49
Total effluent (m³)			
	1284948.26	1364050.12	1467881.72
Total COD (Tonnes)			
	2110.94	2295.38	2056.74

*NA : not applicable because the baseline is 2017 for Scope 3 emissions

	BASELINE FY15	FY18	FY19
Waste Generation and Disposal - GRI 306-2			
Hazardous (HZ) waste (tonnes)			
Incinerated (without heat recovery)	3937.73	5445.72	5419.80
Incinerated (with heat recovery)	11415.10	13515.44 (2)	13784.07
Land-filled	150.86	19.23	14.93
Other	619.68	892.42	1017.88
Total hazardous waste	16123.37	19872.81 (2)	20236.68
Non-hazardous (NHZ) waste (tonnes)			
Incinerated (without heat recovery)	367.75	173.94	205.41
Incinerated (with heat recovery)	1550.25	1291.50 (2)	1820.59
Land-filled	2042.13	1278.44	938.59
Other	0.00	289.76	240.68
Total non-hazardous waste	3960.13	3033.64 (2)	3205.27
Effluent waste (tonnes)			
Incinerated	2266	2654.91	2058.37
Land-filled	676	944.36	746.35
Land-application	0.00	39.53	91.91
Other	0.00	0.00	0.00
Total effluent treatment waste	2942.39	3638.80	2896.63
Total recycled waste (tonnes)			
	12693.33	14701.06 (2)	18691.47

	BASELINE FY15	FY18	FY19
Total waste (tonnes)			
Total incinerated and land-filled	22406.21	25323.54 (2)	24988.11
Total (Hazardous, Non-Hazardous, Effluent, Recycled)	35719.22	41246.31 (2)	45030.05

At times environmental data from previous years is updated, adjusted or corrected. Any changes in environmental data previously published below a 1% threshold are deemed not material unless it is found to be of sufficient importance to our management team, and in these cases the explanation for the variation will be detailed. For cases above 1% the variation will be detailed.

(1) -1.3%, Scope 3 CO₂-e emissions, employee commuting, error in emission factor used

(2) Changes driven by double counting in waste reporting at one site;

- 20.9%, Hazardous waste (incinerated with heat recovery)
- 15.2%, Total Hazardous waste
- 3.1% %, Non-hazardous waste (incinerated with heat recovery)
- 1.3%, Total Non-hazardous waste
- 0.2%, Total recycled waste
- 6.6%, Total incinerated and land-filled waste
- 12.5%, Total waste

(3) Purchased raw materials used in Firmenich Products. Last year, we adjusted our calculation methodology for this Category. We now use primary data from our raw materials suppliers submitted through the annual CDP Supply Chain Request. In addition to data on supplier emissions intensity (tCO₂e per revenue) from the CDP Supply Chain Request, we utilize the total spend on raw materials from suppliers to determine our Category 1 emissions. For suppliers without emissions intensity data reported to CDP, we scaled up our calculated total to include GHG emissions from our entire raw materials supply chain. This is a cradle to gate approach utilizing Scope 1, 2, & 3 emissions reported by our suppliers. We are still early in the process of collecting CO₂ emissions data from Purchased Goods & Services, using CDP. As we engage more suppliers, and as they gain more experience in disclosing CO₂ emissions data, we expect calculations to become more and more accurate. Data in FY19 are consistent with FY17 data, and the decrease seen in FY19 vs. FY18 could likely be attributed to suppliers slightly overestimating their CO₂ emissions in FY18.

(4) For outbound transportation to affiliates and customers, Firmenich accounts for tank to wheel CO₂e emissions for all sites (except one plant and two recent acquisitions). A third party analyzes the specific CO₂e emissions per shipment based on our transportation data, vehicles used, and loading factors.

(5) Business air travel for all sites (except one plant and two recent acquisitions) provided by regional & local travel agencies.

(6) Waste data are collected and divided into categories & subcategories of disposal method. Then, published CO₂e emission factors are applied to each subcategory.

(7) Employee commuting includes all employees globally and is estimated using assumptions from an external study and most recent available emission factors.



APPENDIX

GRI CONTENT INDEX

GRI 102-55

GRI 102: GENERAL STANDARD DISCLOSURES

General disclosures	Definition	Page Number or Link
102-1	Name of the organization	Page 6
102-2	Activities, brands, products, and services	Page 6
102-3	Location of headquarters	Page 6
102-4	Location of operations	Page 6; 98 http://www.firmenich.com/en_INT/locations.html
102-5	Ownership and legal form	Page 6
102-6	Markets served	Page 6
102-7	Scale of the organization	Page 6
102-8	Information on employees and other workers	Performance table on pages 102-103
102-9	Supply chain	Page 6; 24
102-10	Significant changes to the organization and its supply chain	Page 6
102-11	Precautionary Principle or approach	Pages 7-8; 19-22

General disclosures	Definition	Page Number or Link
102-12	External initiatives	Pages 11-12; 32-37; 76; 83 http://www.firmenich.com/en_INT/sustainability/Firmenich-Human-Rights-Policy-Statement.html
102-13	Membership of associations	Pages 7-8; 32-37
102-14	Statement from senior decision-maker	Pages 7-8
102-15	Key impacts, risks, and opportunities	Pages 19-22; pages 9-10 of the materiality report
102-16	Values, principles, standards, and norms of behavior	Pages 7-8; 87
102-17	Mechanisms for advice and concerns about ethics	Page 88
102-18	Governance structure	Pages 14-15; 17-18
102-19	Delegating authority	Pages 15; 17-18
102-22	Composition of the highest governance body and its committees	Page 15
102-23	Chair of the highest governance body	Page 15

GRI 102: GENERAL STANDARD DISCLOSURES (CONTINUED)

General disclosures	Definition	Page Number or Link
102-24	Nominating and selecting the highest governance body	Page 15
102-25	Conflicts of interest	Page 15
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 15
102-28	Evaluating the highest governance body's performance	Page 15
102-30	Effectiveness of risk management processes	Pages 19,20
102-31	Review of economic, environmental, and social topics	Page 16
102-32	Highest governance body's role in sustainability reporting	Page 16
102-33	Communicating critical concerns	Page 16
102-35	Remuneration policies	Page 16
102-36	Process for determining remuneration	As a privately-owned company, disclosure on remuneration matters is limited because confidentiality constraints do not allow us to report more than what is mentioned in the report.
102-40	List of stakeholder groups	Pages 26-29; pages 2-3 of the materiality report ; Firmenich's website
102-41	Collective bargaining agreements	Page 73
102-42	Identifying and selecting stakeholders	Page 25-26; Firmenich's website

General disclosures	Definition	Page Number or Link
102-43	Approach to stakeholder engagement	Page 25-29; pages 2-3 of the materiality report
102-44	Key topics and concerns raised	Page 25-29; page 4 of the materiality report
102-45	Entities included in the consolidated financial statements	Page 98. The list of entities is available on our website on the following map: http://www.firmenich.com/en_INT/locations.html All the locations on the map are included in the financial statement.
102-46	Defining report content and topic Boundaries	Pages 21-22; pages 4 and 9 of the materiality report
102-47	List of material topics	Page 22; page 4 of the materiality report
102-48	Restatements of information	Page 98; Performance table on page 108 of this Index
102-49	Changes in reporting	Pages 8; 22; 98
102-50	Reporting period	Page 98
102-51	Date of the most recent report	Page 98
102-52	Reporting cycle	Page 98
102-53	Contact point for questions regarding the report	Page 99
102-54	Claims of reporting in accordance with the GRI Standards	Page 98
102-55	GRI content index	Pages 109-117
102-56	External assurance	Pages 100-101

MATERIAL TOPICS

DMA & indicators	Definition	Page Number or Link
ECONOMIC		
Economic Performance		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Economic performance is critical to the success of our company so we need to ensure that our business is financially sustainable in the short- and long-term.
103-2	The management approach and its component	This information is available in Firmenich's Annual Report which for confidential reasons is not publicly disclosed.
103-3	Evaluation of the management approach	
GRI 201: economic performance		
201-1	Direct economic value generated and distribute	Page 6 Due to the private ownership of the company we are limited in our disclosure of economic indicators.
201-2	Financial implications and other risks and opportunities due to climate change	Pages 58-59
Anti- Corruption		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 9 of the materiality report ; http://www.firmenich.com/uploads/files/company/Global_Anticorruption_Corporate_Policy.pdf
103-2	The management approach and its component	Page 88
103-3	Evaluation of the management approach	Page 88 https://secure.ethicspoint.eu/domain/media/en/gui/104533/index.html

DMA & indicators	Definition	Page Number or Link
GRI 205: anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Page 88
ENVIRONMENTAL		
Energy		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 58-59; pages 9 and 11 of the materiality report
103-2	The management approach and its component	Pages 58-59
103-3	Evaluation of the management approach	Pages 58-59; 61
GRI 302: energy		
302-1	Energy consumption within the organization	Page 61 In the future, we will expand on the different source methodologies we're using
302-3	Energy intensity	Page 61
302-4	Reduction of energy consumption	Pages 58-59; 61; performance table on page 107
Water		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 62-64; pages 9 and 11 of the materiality report
103-2	The management approach and its component	Pages 62-64

MATERIAL TOPICS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
103-3	Evaluation of the management approach	Pages 62-65
GRI 303: water & effluents 2018		
303-1	Interactions with water as a shared resource	Pages 63-64
303-3	Water withdrawal	Page 64; performance table on page 107
303-4	Water discharge	Page 65
303-5	Water consumption	Page 65
Internal Indicator	Water footprint reduction in water-stressed area	Page 64; and performance table on page 107
Biodiversity		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 69; pages 9 and 11 of the materiality report
103-2	The management approach and its component	Pages 69-70
103-3	Evaluation of the management approach	Pages 69-70
GRI 304: biodiversity		
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 69-70
Emissions		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9 and 11 of the materiality report

DMA & indicators	Definition	Page Number or Link
103-2	The management approach and its component	Pages 58-59
103-3	Evaluation of the management approach	Pages 58-61
GRI 305: emissions		
305-1	Direct (Scope 1) GHG emissions	Pages 58; 60-61; performance table on page 107
305-2	Energy indirect (Scope 2) GHG emissions	Pages 58; 60-61; performance table on page 107
305-3	Other indirect (Scope 3) GHG emissions	Page 58; performance table on page 107
305-5	Reduction of GHG emissions	Pages 58; 60
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Performance table on page 107
Effluents and Waste		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9 and 11 of the materiality report
103-2	The management approach and its component	Pages 66
103-3	Evaluation of the management approach	Pages 66-68
GRI 306: effuents and waste		
306-2	Waste by type and disposal method	Page 66; performance table on page 108
Internal Indicators		
Internal Indicator	Percentage of waste to landfill globally	Page 66

MATERIAL TOPICS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
Supplier Environmental Assessment		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 62;95
103-3	Evaluation of the management approach	Pages 62;64;96
GRI 308: supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	Pages 95-96; We screen our suppliers according to several criteria including environmental criteria. Although we do record the entry date of the vendors in our systems, we are not able to provide the percentage of new suppliers specifically that were screened using environmental criteria. We are working on our systems to be able to report on this indicator in FY20.
SOCIAL		
Employment		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Although this issue is not considered to be a high material issue, we believe that employment and the ability to hire, attract and retain talented employees is critical to foster innovation.
103-2	The management approach and its component	Pages 73-74; Firmenich's website

DMA & indicators	Definition	Page Number or Link
103-3	Evaluation of the management approach	Pages 73-74
GRI 401: employment		
401-1	New employee hires and employee turnover	Page 73; performance table on pages 103-105
Occupational Health and Safety		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 79; page 9 of the materiality report
103-2	The management approach and its component	Pages 79-81
103-3	Evaluation of the management approach	Pages 80-81
GRI 403: health and safety 2018		
403-1	Occupational health & safety management system	Page 79
403-2	Hazard identification, risk assessment and incident investigation	Pages 79-80
403-3	Occupational health services	Page 80
403-4	Worker participation, consultation, and communication on occupational health & safety	Page 80
403-9	Work-related injuries	Performance table on page 106

MATERIAL TOPICS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
Diversity and Equal Opportunity		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 82; pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 82-83
103-3	Evaluation of the management approach	Page 82
GRI 405: diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Page 82; performance table on page 106
Human Rights Assessment		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 76; pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 76-78 https://secure.ethicspoint.eu/domain/media/en/gui/104533/index.html
103-3	Evaluation of the management approach	Page 78
GRI 412: human rights assessment		
412-2	Employee training on human rights policies or procedures	Although no training as such has been delivered yet, we delivered a workshop session on modern slavery (see page 77) and will be developing training which will be delivered in FY20.

DMA & indicators	Definition	Page Number or Link
Local Communities		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 42; pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 42-43; https://secure.ethicspoint.eu/domain/media/en/gui/104533/index.html
103-3	Evaluation of the management approach	Pages 42-44
GRI 413-1: local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 42-44
Supplier Social Assessment		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 94; pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 94-95
103-3	Evaluation of the management approach	Pages 94-95
Internal Indicator	Deep Roots beneficiaries	Pages 27; 42-43

MATERIAL TOPICS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
GRI 414: supplier social assessment		
414-1	New suppliers that were screened using social criteria	Pages 78; 95
Customer Health and Safety		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 9 of the materiality report
103-2	The management approach and its component	Page 92
103-3	Evaluation of the management approach	Page 92
GRI 416: customer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories (%)	Our Ingredients Index has produced quantifiable data on the environmental and health impact for each of our key ingredients. Over the last years, we have evaluated 413 Index values for 400 unique ingredients representing approximately 93% (by volume) of a typical Firmenich perfumery compound.

MATERIAL TOPICS WITH NO SPECIFIC GRI STANDARDS

DMA & indicators	Definition	Page Number or Link
Microplastics		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 67, pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 67-68
103-3	Evaluation of the management approach	Page 68
Indicator		
	Development of a methodology to track the biodegradation of polymeric materials used in fragrance delivery systems	The current reference ECHA document (see page 67) doesn't provide a clear methodology for measurement of biodegradation in encapsulated fragrance which is why we haven't defined a quantitative indicator but a qualitative indicator instead.
Green Chemistry		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 40, pages 9;11 of the materiality report Although this material topic is listed as "green science" in our materiality matrix, we've decided to change the terminology to "green chemistry" because it is the standard terminology in the chemical industry.
103-2	The management approach and its component	Page 40
103-3	Evaluation of the management approach	Page 40

MATERIAL TOPICS WITH NO SPECIFIC GRI STANDARDS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
Indicator		
	Productivity and e-factor	Following internal discussions, although we are still using the e-factor as an internal indicator, we do not wish to make this information publicly available for confidential reasons and have therefore decided to not disclose e-factor related information in this report.
Deforestation		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 62, pages 9 and 11 of the materiality report
103-2	The management approach and its component	Page 62
103-3	Evaluation of the management approach	Page 62
Indicator		
	CDP ranking on the Forests Program	Page 62
Enhancing Nutrition, Health and Sanitation through our Products		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 49-53; 54-55
103-3	Evaluation of the management approach	Pages 49-53; 54-55

DMA & indicators	Definition	Page Number or Link
Indicator		
	Tonnes of sugar removed or avoided from consumers' diets	Page 54
	Delivery of malodor control systems as products for base of pyramid consumers	Page 49
Investment in and outcomes of R&D		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 38, pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 38-41
103-3	Evaluation of the management approach	Pags 38-41
Indicator		
	Amount invested in R&D (CHF)	Page 38
Championing Product Development for all Market Segments		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 49-54
103-3	Evaluation of the management approach	Page 49

MATERIAL TOPICS WITH NO SPECIFIC GRI STANDARDS (CONTINUED)

DMA & indicators	Definition	Page Number or Link
Indicator		
	Number of studies and people interviewed on products development initiatives targeted at low-income consumers	Pages 50-51
Customer Requirements		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9-10 of the materiality report
103-2	The management approach and its component	Pages 28; 49-50; 54; 89
103-3	Evaluation of the management approach	Pages 47-48; 50-51; 54-55; 89
Indicator		
	Sustainability projects developed with customers	Pages 31; 48-51; 54
Security of Supply of Raw Materials		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Page 94, pages 9-10 of the materiality report
103-2	The management approach and its component	Page 94
103-3	Evaluation of the management approach	Pages 94-95
Indicator		
	Naturals Together – actions at source and partnerships	Pages 42-45

DMA & indicators	Definition	Page Number or Link
Business Continuity Management		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 9-10 of the materiality report
103-2	The management approach and its component	Page 21
103-3	Evaluation of the management approach	As one of the newly identified issue last year, we are still looking into defining target(s) and appropriate indicator(s) for this issue. This exercise is being done in parallel with defining target(s) and indicator(s) for our upcoming 2025 strategy.
Indicator		
	Indicator to be defined	
Product Safety and Quality		
GRI 103: management approach		
103-1	Explanation of the material topic and its Boundary	Pages 89-90; page 9 of the materiality report
103-2	The management approach and its component	Pages 89-92
103-3	Evaluation of the management approach	Pages 90-91
Indicator		
	Sales order lines product defect free	Page 90
	Improvement in customer quality index	Page 89
	Critical remarks on FSSC 22000 Food Safety System certification audits	Page 90

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.

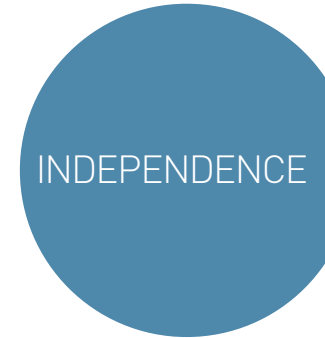
SUSTAINABILITY



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.



PERFORMANCE AND SUSTAINABILITY REPORT 2019

GLOSSARY

- 3Gs : Governance, Growth, Green
- ABS : Access and Benefit Sharing
- ACI : American Cleaning Institute
- AGM: Annual General Meeting
- ASR : Artificial Recharge, Storage and Recovery
- BCM: Business Continuity Management
- BoP: Base of Pyramid
- CDP : Carbon Disclosure Project
- CEO : Chief Executive Officer
- CFO : Chief Financial Officer
- CHF : Swiss Franc
- CO₂ : Carbon Dioxide
- CoC : Code of Conduct
- COD : Chemical Oxygen Demand
- COP : Conference of the Parties
- CQI : Customer Quality Index
- CSAQ : Compliance Self-Assessment Questionnaire
- CSR : Corporate Social Responsibility
- DMA : Disclosure on Management Approach
- DSI : Digital Sequence Information
- ECHA : European Chemical Agency
- EDGE : Economic Dividends for Gender Equality
- EEA : Enabling Employers Award
- EPFL : Ecole Polytechnique Fédérale de Lausanne
- ERM: Enterprise Risk Management
- ESG : Environmental, Social and Governance
- ETI : Ethical Trading Initiative
- EU : European Union
- FARC: Finance Audit and Risk Committee
- FSA : Farm Sustainability Assessment
- FSSC : Food Safety System Certification
- GAIN : Global Alliance for Improved Nutrition
- GAN : Global Apprenticeship Network
- GCC: Governance and Compensation Committee
- GEM : Groupement des Entreprises Multinationales
- GHG : Greenhouse Gas
- GJ: Gigajoule
- GMO : Genetically Modified Organism
- GMP : Good Manufacturing Practice
- GRI : Global Reporting Initiative
- H&S : Health and Safety
- HS&E : Health, Safety and Environment
- HSI : Humane Society International
- HZ : Hazardous
- I4A: Ideas for Action
- ICC : International Chamber of Commerce
- IDH : Sustainable Trade Initiative
- IFRA : International Fragrance Association
- IME : Institute for Molecular Biology and Applied Ecology
- INSEAD : Institut Européen d'Administration des Affaires
- IOFI : International Organization of the Flavors Industry
- IPCC : Intergovernmental Panel on Climate Change
- ISO : International Organization for Standardization
- kWh : Kilowatt Hour
- LCA : Life Cycle Assessment
- LGBTI : Lesbian, Gay, Bisexual, Transgender, Intersex
- LPG : Liquefied Petroleum Gas
- LTC : Lost-Time Case
- LTI : Lost-Time Injury
- LTIR : Lost-time Injury Rate
- M&A : Mergers and Acquisitions
- MRI : Magnetic Resonance Imaging
- NGOs: Non-Governmental Organizations
- NHZ : Non-Hazardous
- NOx : Nitrogen Oxides
- NTFPs : Non-Timber Forest Products
- OHSAS : Occupational Health and Safety Assessment
- OP2B : One Planet Business for Biodiversity
- PCBs : Polychlorinated Biphenyls



PERFORMANCE AND SUSTAINABILITY REPORT 2019

GLOSSARY

- QHSE : Quality, Health, Safety and Environment
- QHSSE : Quality, Health, Safety, Security and Environment
- QTY : Quantity
- R&D : Research and Development
- RBD : Receptor-Based Discovery
- REACH : Registration, Evaluation, Authorization and Restriction of Chemicals
- RECs: Renewable Energy Certificates
- RIFM : Research Institute for Fragrance Material
- RoSPA : Royal Society for the Prevention of Accidents
- SA : Social Accountability International
- SAI : Sustainable Agriculture Initiative
- SAP : Systems Applications and Products in Data Processing
- SBT : Science Based Targets
- SDGs : Sustainable Development Goals
- SEDEX : Supplier Ethical Data Exchange
- SETAC : Society of Environmental Toxicology and Chemistry
- SGS : Société Générale de Surveillance
- SMETA: Sedex Members Ethical Trade Audit
- SOx : Sulphur Oxides
- SQUAD : Sustainability Questionnaires Unit for Action and Delivery
- TBC : Toilet Board Coalition
- TDS : Flavor Technical Data Sheet
- TEGA : Turkey Egg Genotoxicity Assay
- TRC : Total Recordable Case
- UEBT : Union for Ethical BioTrade
- UHT: Ultra-High Temperature
- UN : United Nations
- UNGC : United Nations Global Compact
- UNGPs : United Nations Guiding Principles on Business and Human Right
- VOC : Volatile Organic Compound
- WBCSD : World Business Council for Sustainable Development
- WDI : William Davidson Institute
- WHO : Global Health Organization
- WRI : World Resources Institute
- WWF : World Wide Fund for Nature

