



SHARING SUSTAINABILITY



WE ARE THE PEOPLE OF

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ABOUT THIS REPORT

This report contains a discussion on the sustainability topics most relevant to our company. The report reflects the performance of Firmenich's global operations related to its fiscal year ended June 30, 2009 (FY09).

Photographs feature the people of Firmenich: those who work every day to ensure we fulfill our commitments to sustainable development.

We compiled this report after a dialogue with a number of our stakeholders who emphasized the need to address our successes and challenges. An independent verification statement is on page 38.

FIRMENICH AND THIS IS OUR MESSAGE ABOUT SUSTAINABILITY.

| MESSAGE FROM OUR CHAIRMAN AND CEO

Welcome to our fourth annual Sustainability Report.

We continue to make good progress integrating sustainability into our daily operations. A safe workplace is particularly important and we are especially pleased about our 26.5% improvement in our Total Recordable Case rate. We also continue to make steady progress toward reaching our environmental objectives. Compared with FY08, in FY09 we reduced our volatile organic compound (VOC) emission rate by 24.1% and continued to see the benefits of our energy efficiency projects with a 5% reduction in energy use.

We have formed the Firmenich Sustainability Advisory Board, composed of five independent experts (see details of the members on page 39). This group helps us monitor our performance and advises us on our sustainability strategy. Comments from each of the members are included in this report.

Firmenich was not immune to the global economic crisis, which presented our company, as well as our customers and suppliers, with unprecedented business challenges. However, these challenges have not impeded our progress in the area of sustainability.

We warmly thank our employees for helping us maintain our progress. We know we can always improve and we welcome constructive feedback.



Patrick Firmenich
CEO

Vernon Sankey
Chairman

A handwritten signature in black ink that reads "Patrick Firmenich".

A handwritten signature in black ink that reads "Vernon Sankey".



WE WANT TO SHARE THIS

A PASSION FOR SMELL AND TASTE

Firmenich is the largest privately-owned company in the perfume and flavor business. Family-owned and based in Geneva, Switzerland, we have created many of the world's favorite perfumes for 114 years and produced many of the best known flavors we enjoy each day.

We believe that sustainable business success is anchored in the long-term interests of our employees, local communities and the environment. We are committed to working in a way that meets the needs of the present without compromising the ability of future generations to meet their needs. This means behaving ethically and contributing to economic development, while improving the quality of life for our workforce, their families, local communities and society.

MESSAGE WITH YOU. OUR CULTURE AT FIRMENICH EMPHASIZES

In Fiscal Year 2009, Firmenich:

- **Received** the 2008 DuPont Safety Award for Felt Leadership.
- **Established** the Jean-Marc Bruel Award for Health, Safety & Environmental Excellence, honoring our former Chairman of the Board of Firmenich and his passion for workplace safety.
- **Reduced** our Total Recordable Case (TRC) rate for Employee Safety by 26.5%, compared with 2008.
- **Successfully completed** occupational health and hygiene baseline audits at 15 affiliates.

- **Exceeded** three of our five 2010 Environmental Goals (against the FY2005 baseline):

	FY09 vs. baseline	2010 Improvement Goal
VOC	- 8.3%	-25%
CO ²	-26.7%	-15%
Energy Use	-28.0%	-10%
Hazardous Waste	-44.4%	-20%
Process Water	-14.6%	-15%

- **Introduced** the Firmenich Code of Conduct to supplement the Firmenich Fundamentals.
- **Achieved** a further four 3rd party management system certifications: three in OHSAS 18001 and one in ISO 14001.
- **Established** the Firmenich Naturals Business Unit with the objective to further develop sustainable sourcing of raw materials and leverage technology to enhance natural flavor and fragrance solutions.

- **Joined** the Supplier Ethical Data Exchange (SEDEX) and registered our Social Accountability Results for all significant sites.

- **Partnered** with the Rainforest Alliance to conduct feasibility studies related to a number of our natural products sourced from Africa and Asia.

- **Became** a Foundation Corporate Partner of Forum for the Future, a sustainable development charity that works with leading organizations in business and the public sector.



INDEPENDENCE, CREATIVITY AND

OUR

INNOVATION. IT INSPIRES OUR HEARTS

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PEOPLE

Firmenich employs people in 53 countries, representing 79 nationalities. Our corporate headquarters located in Geneva, Switzerland, reflect this international spirit with 51 different nationalities represented.

AND MINDS - AND GUIDES OUR

Working in a multi-cultural environment has a positive impact on our people because it broadens our perspective of the world. We have organized the company on various formal and informal networks where diversity is key. For example, we encourage international working relationships by including research and creative experts from different continents on the same projects. This inclusive approach has been particularly helpful as we integrated the former Danisco Flavor organization into our company.

Investing in People

The Firmenich culture emphasizes independence, creativity and innovation. It inspires the hearts and minds of our employees and it guides our daily actions, especially in personal development and career progression.

Developing talent

We have implemented a new career development program to accelerate the professional progress of our most promising talent. As part of this program, we offer "Broadening Assignments" to individuals to enhance our talent pipeline. We believe that this approach will reinforce our innovation strategy by enabling employees to gain relevant business experience and by broadening their skills set.

DAILY ACTIONS. WE WORK IN AN ENVIRONMENT THAT FOSTERS



Brazil

In Sao Paulo Brazil, we have developed a partnership with the local state government to offer professional experience to teenagers from the poorest communities. The program is called "Jovem Cidadão" or Young Citizens. Candidates selected from public schools come to us for six months to learn, develop and prepare for their future professional lives. In the last two years more than 50 promising young adults have been enrolled in the program.

Reverse mentoring

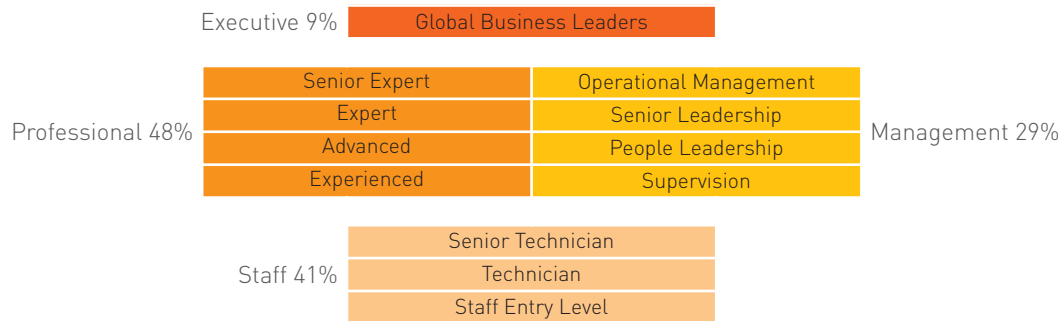
Lower level managers from different functions are trained to become mentors to their senior managers. Our reverse mentoring program aims to challenge the style of management of some of our senior executives by highlighting new and fresh perspectives. Those receiving mentoring are given individual feedback and have opportunities to discuss their leadership capabilities. It will help us raise awareness in gender and cultural diversity by incorporating more points of view from women and people from a variety of backgrounds.

Diversity and inclusion

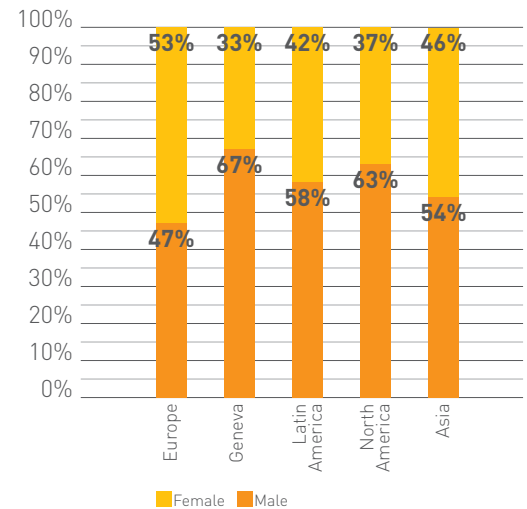
In FY09, we continued our commitment to various diversity and inclusion programs. For example, in **North America** five female managers were offered senior positions in the Supply Chain Division. This is a particularly positive development because this part of our business has historically had few female managers.

Employee Gender Distribution

Female presence at main levels of the Firmenich career ladder (in %)



Employee Gender Distribution
Gender by Zone FY09



AN ENTREPRENEURIAL SPIRIT, PRESERVING THE FREEDOM



Firmenich Code of Conduct

We are a company with strong core values. Our values are described in our Firmenich Fundamentals which have inherently shaped the way we have worked in the last 114 years. In December 2008, we complemented our Fundamentals with the formal issuance of our Code of Conduct. We have set ourselves globally binding principles and guidelines that require all employees to behave in an ethical, law-abiding manner. The Code of Conduct reinforces our values and sets out the rules for daily relations with business partners, customers, suppliers, competitors, the public and personnel. It is the responsibility of our executives to act as role models of ethical conduct.

In 2010, we plan to roll out an e-learning tool covering the main themes of the Code. Compliance with the standards set forth in the Code of Conduct is administered by our Corporate Compliance Department and is confirmed via an annual Letter of Assurance which is required to be signed by all members of management.

Translated into several languages, the Code is available in print. Every Firmenich employee receives a copy.

Social Accountability

The Firmenich Social Accountability Standard (see full text at www.firmenich.com), established in 2007, requires compliance with national laws and respects the principles of the International Labor Organization, as well as those of the United Nations Universal Declaration of Human Rights. Social Accountability is an important component of our business and remains a significant area of interest for our customers. In FY09, we commissioned an external consultant to implement a program of 1st party social audits against the Social Accountability Standard at our affiliates. In total, 10 audits were conducted in FY09 and five more are scheduled before the end of the calendar year.

In FY08 we joined SEDEX, the Supplier Ethical Data Exchange. SEDEX is a membership organization for businesses committed to continuous improvement of the ethical performance of their supply chains. SEDEX requires members to enter information on social accountability policies and performance on a central data base which can then be accessed by other SEDEX members. By the end of FY09, we had entered social accountability data for 21 Firmenich sites, including details of social audits undertaken. Our customers can access the Firmenich data on the SEDEX website (www.sedex.org.uk).

Switzerland

Firmenich has supported the Geneva Society for Professional Integration of Teenagers and Adults since 1979. The Society encourages the social integration of people with mental handicaps. In FY08, we employed 18 men and four women from the program. They work under the permanent supervision of professional coaches and are fully integrated into our workforce.

TO THINK AND ACT.

FROM POOR PERFORMER TO SAFETY WINNER

In 2001, our facility in Port Newark, New Jersey, U.S.A. had one of the poorest safety performance records in the company. By 2008 it had become a leader with a 95% reduction in injuries and significant decrease in recordable incidents since 2001.

The facility received the Jean-Marc Bruel Award in 2008, ahead of 21 other global entrants for this prestigious award named after the former Chairman of our Board of Directors. The award recognizes teams that integrate health, safety and environmental management into business excellence.

Site managers used a combination of training, a process safety management (PSM) program, formal HS&E management systems and the implementation of hazard awareness and recognition programs to improve safety performance. Behavioral correction programs were implemented for people with the highest propensity to injure themselves. The safety committee was re-organized and became the voice of the plant.

The site's management systems have been certified to OHSAS18001, and the plant expects certification in the SHARP program by the New Jersey Department of Labor. Entry into the OSHA voluntary protection certification program has also been recommended.



"Sustainability is a word far too easily used today and the incorporation of sustainability standards within a company often stems principally from its desire to be a good corporate citizen.

For Firmenich, however, sustainability is much more than just presenting an image. The company has clearly put to use all of its human, capital and technology resources to implement sustainable solutions at every level of the Group, showing that it is using its resources effectively and leading in the drive for positive impact."

Guillaume Taylor, Partner, de Pury Pictet Turrettini & Co. Ltd
Firmenich Sustainability Board Member



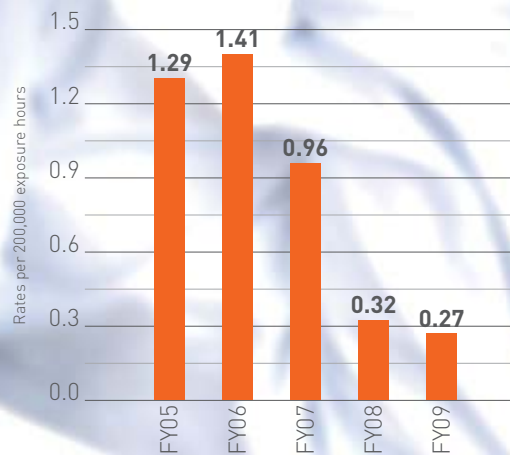
WE LISTEN TO EACH OTHER.

Employee Health & Safety

Our approach

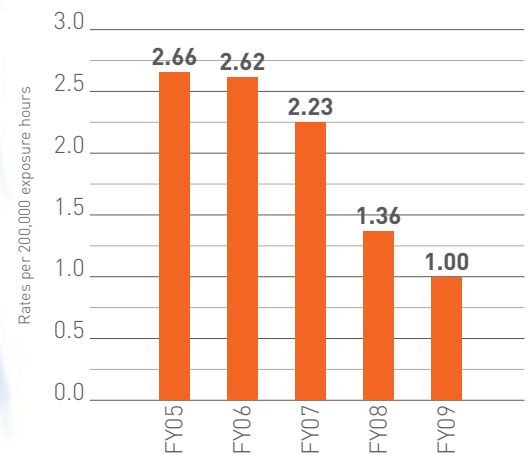
We require every employee to ensure that safety rules are respected, and that line management accepts overall responsibility and accountability for compliance. Our operating philosophy - described in our Health, Safety and Environment (HS&E) Charter - embraces this inclusive approach and inspires the operational discipline that leads to safety excellence.

Employee Health & Safety Performance LTC Rate



*LTC Rate = Lost Time Cases per 200,000 exposure hours. (A "Case" is a recordable work related injury or occupational illness that results in time away from work of greater than one day or one shift following the day of the incident).

Employee Health & Safety Performance TRC Rate



*TRC Rate = Total Recordable Cases per 200,000 exposure hours. (This is the sum of Lost Time Cases + Restricted Work Cases + Medical Treatments, which are either work related injuries or illnesses).

AT FIRMENICH WE ARE PASSIONATE ABOUT EXCELLENCE

Our performance

We continued to improve our headline health and safety performance during FY09, with a 26.5% reduction in our total recordable case (TRC) rate, compared with the previous year. Our lost time case (LTC) rate also improved with a 15.6% reduction. By the end of FY09 we had already met both our 2010 strategic goals for TRC (1.00) and LTC (0.6) [See Table].

Our TRC rate has now improved by 62% and LTC rate by 79% on our FY05 baseline.

Out of 25 global manufacturing sites, 10 achieved zero recordable cases in FY09, with 17 achieving zero lost time cases.

This continued improvement is the result of many factors, including further development of both corporate and affiliate level health and safety management systems and our evolving health & safety culture.

At the local level, an additional three affiliates had their health and safety management systems certified to the OHSAS 18001 standard, taking the total number to 10, since 2005. This included our affiliate in Norway, which was publically recognized as being one of only two companies in Norway to hold four certification standards (ISO14001, OHSAS18001, ISO9001 and BRC).

Our Programs

We continued our program of behavior-based safety management with safety leadership development training at our ingredients plant in La Plaine, Switzerland. This involved 28 managers participating in a 360-degree safety leadership evaluation and subsequent development of a personal improvement plan based on the results.

The HS&E professionals focused on the development and delivery of safety training during the year. Through nine tailored training modules designed for our Flavors technical teams we trained more than 100 employees. We plan to continue to roll out this training with our Fragrance and R&D technical teams during FY10.

We also introduced an online loss prevention training tool, with 42 employees completing a certified course in FY09.

In Europe we developed and delivered risk analysis training for 92 employees.

In FY09, we launched a program of occupational health and hygiene baseline audits, to better understand and manage risks. Fifteen audits were conducted during the year. An audit protocol and pre-audit questionnaire were developed based on the relevant corporate codes. The audits and subsequent improvement plans will ensure that occupational health and hygiene is managed in accordance with corporate requirements and

shared best practices. The work will also be used to identify and then develop additional standards, guidance and tools.



Our Awards and Recognition

In recognition of our outstanding efforts in improving health and safety performance, Firmenich was awarded the 2008 DuPont Safety Award in the Felt Leadership category for our innovative management system. The award was given at the DuPont 2008 Leaders Forum on "Building the Future of Safety", where 200 senior representatives from over 80 companies met to share first-hand experience, listen to case studies and explore the latest ideas from peers and experts.

In November 2008, Neil McFarlane, Vice President Global Health, Safety & Environment was invited by the Chinese State Administration for Workers Safety to give a keynote speech in Beijing, at the fourth annual China International Forum on Work Safety.

Firmenich was recognized by the Minhang Administration for Work Safety, receiving the 5-Star Safety Integrity Award for our affiliate in Shanghai, China. In Switzerland, one of our Geneva operations received a prize for safety performance from the Swiss Accident Insurance Association (SUVA). In the U.S.A. our site in California received a Safety Excellence Award from the National Safety Council.



IN HELPING OUR



CLIENTS TO BE MORE SUCCESSFUL,



PR
PRODUCTS

Creation is valued at Firmenich. The flavors and fragrances we produce are designed to increase pleasure for our customers and consumers worldwide. We are convinced that they contribute positively to quality of life. We are always mindful that any negative impact of our products on the environment should be minimal.





AND MORE SUSTAINABLE.

Although we believe our overall footprint on the environment is small, Firmenich is determined to further reduce its impact, even as the volumes of our products continue to grow.

It is often forgotten that everything around us is chemical in origin, and that nature is the world's largest chemical manufacturer. At Firmenich, we take our lead from nature and have long been known for our nature-identical flavors and reconstituted essential oils. We have a rich history of protecting wildlife by analyzing and re-creating natural fragrance ingredients from endangered or rare species.

Firmenich is a founding member of the Research Institute for Fragrance Materials (RIFM). Since its foundation in 1966, RIFM has generated and collected extensive safety data on the different fragrance ingredients in use.

WE ARE CONTINUALLY STRIVING TO MAKE PRODUCTS THAT ARE



UGANDAN VANILLA PROJECT BENEFITS FARMERS

Our Sustainable Vanilla Project in Uganda has brought benefits to the approximately 6,500 small farmers who partner with us.

This is the finding of an independent review conducted by FSG Social Impact Advisors, a non-profit organization specializing in measuring social impacts.

The three-person review team spent eight days in Uganda and interviewed over 40 people in different parts of the supply chain, from farmers to our customers. Their goal was to determine whether sustainability objectives were being achieved. The team concluded that, on balance, the sustainable vanilla program has had a positive impact on the lives of the farmers.

Reviewers recommended that we strengthen supply chain arrangements and focus the social projects more on farmers' specific needs as opposed to the wider farming community. Recommendations were also made regarding vanilla pricing and the development of longer-term agreements with farmers.

Measuring the social and economic impacts of sustainable sourcing projects is essential to test their effectiveness.

International Fragrance Research Association (IFRA) and supports its program of implementing detailed safety standards for the industry. It is our corporate policy to adhere scrupulously to the Codes of Practice of both the IOFI and IFRA.

Committed to sustainable products

Every day, it is believed that most households around the world use a product that contains a Firmenich flavor or fragrance, from a palette of thousands of synthetic and natural raw materials. We base our creations on sound science and ensure that we are responsible in our use of natural resources.

Our customers are asking for products – both natural and synthetic - with low environmental impacts. For example, they want our products to be biodegradable, more concentrated and to use less water at lower temperatures. We are excited that the market has shifted toward sustainability and we are committed to being a leader in the flavor and fragrance industry by developing and promoting sustainable products.

Firmenich has always applied strict rules by restricting our use of flavor ingredients to those that have been judged as Generally Recognized as Safe (GRAS) by the independent experts of the Flavor and Extract Manufacturers Association (FEMA). Firmenich has been a strong and active advocate for confirmatory evaluation by the World Health Organization and the Food and Agricultural Organization of the United Nations through its Joint Expert Committee on Food Additives.

We are a major contributor in terms of expertise and finance for other activities intended to assure the safety of flavors and fragrances. Firmenich actively supports the scientific program of the International Organization of the Flavor Industry (IOFI). For fragrance ingredients, Firmenich has been a founding and active member of the

WITHOUT NEGATIVE IMPACTS IN THEIR SOURCING, PRODUCTION



Working for more sustainable sourcing

The success of our Sustainable Vanilla Program in Uganda (see box on page 17), has inspired us to explore ways we can systematically reduce the social and environmental impacts associated with the sourcing of our natural raw materials.

In Egypt we source a wide range of natural products, including jasmine, violet, geranium, neroli and orange blossom. We have moved away from buying materials on the open market to developing long-term contracts with selected suppliers who have purchase arrangements with selected farmers. This shortens the supply chain, reduces the number of middlemen, improves economic conditions for farmers, and improves quality control and product traceability. We are addressing the social issues in these supply chains.

We have a long history of purchasing essential oils from Morocco. We are trying to work more directly with the farmers who grow our products. This involves providing technical advice to the farmers to improve product yields and quality. Benefits to farmers include more stable prices and long-term job security.

In Indonesia, we used to buy vetiver and patchouli on the open market but we are now dealing directly with specific producers who have direct relationships with farmers. This helps farmers get better prices and improves their long-term commercial security. We provide technical advice to improve processing, which improves the quality of the product.

Update on REACH

The objective of the European Union's Registration, Evaluation, Authorization and restriction of Chemical substances regulation (REACH), which came into force in June 2007, is to ensure a high level of protection of human health and the environment. We see REACH as an opportunity to consolidate our commitment to the chemical industry's Responsible Care program, evaluate chemical hazards in production, and provide clear and accurate ingredient information to customers.

By December 2008, we have submitted 8,786 pre-registrations covering more than 1400 substances. This allows us to continue providing our customers with our full product portfolio. Our REACH team will carry on working until the last registration deadline of 2018, supported by our Regulatory, Research & Development, Purchasing, Legal and Perfumery departments.

Safe products

Information about the hazardous properties of our products is documented in our Safety Data Sheets (SDS) and relevant information is reproduced on product labels and packaging. Information in the SDS - over 300,000 are released every year - helps our customers to better understand the safe use and handling of our products. Our Regulatory and Health, Safety and Environmental (HS&E) professionals are available to support our customers in their evaluation of HS&E protection measures. We provide SDS for all of our products,

not only in those countries where it is a legal requirement to do so, but also in countries where it is not mandatory. SDS are available in 23 different languages and we are planning to include three more.

Technology

Innovative technologies are helping us reduce the environmental impacts of our manufacturing processes, and in the selection of specific fragrance and flavor molecules which are safer and better tailored to our customer needs. For example, our extraction facility at Grasse, France, uses carbon dioxide as a solvent, rather than volatile organic compounds (VOCs). This has enabled us to remove potentially harmful molecules from some raw materials and to reduce VOC emissions.

Technology is also helping improve our extraction rates. This reduces waste and helps us maximize the efficient use of raw materials which, in turn, helps reduce the environmental impacts of farming.

Focus on naturals

Our natural products business unit is based in Grasse, France. The business is focused on sourcing, developing, processing, marketing and selling natural ingredients. By harnessing the technical, manufacturing and business expertise throughout the company, this unit develops cost competitive, high quality, innovative and differentiated natural ingredient products derived from over 1,400 natural raw materials.



OR USE AND TOGETHER,

*"In the past year Firmenich has made very good progress in building a strong sustainability strategy that is more and more embedded into the company core business. In the area of nutrition, Firmenich has huge potential to make a difference by working through some of its key customers in the food and beverage industry. The Global Alliance for Improved Nutrition (GAIN) can facilitate some of those business-to-business partnerships that can potentially impact the nutrition status of a large population and make excellent business sense at the same time. Such partnerships take a lot of nurturing and require that food and beverage companies identify the right products to be delivered at the base of the pyramid. GAIN is confident that a number of opportunities are emerging and will be consolidated into concrete projects in the near future. GAIN is looking forward to work with Firmenich in order to regularly explore win-win scenarios. **GAIN is proud to have a leading Swiss company as a member of its Business Alliance, contributing resources to promote innovative business solutions to fight malnutrition around the world.**"*

Bérangère Margarinos, Director, Partnerships Program,
Global Alliance for Improved Nutrition
Firmenich Sustainability Board Member

"Firmenich has clear leadership ambitions on sustainable business and they are starting to shine through. This year, Firmenich has rightly focused much of their effort on products. Like many of the companies passionate about sustainability, much of their risk, but also opportunities, lie here. Their new product assessment tool combines rigor and pragmatism to good effect and enables them to prioritize their efforts and continually improve performance across their portfolio. And it is driven by the procurement teams, so is close to the core of the business. There is always more to be done - I would like to see more urgency on climate change, more widespread application of the new business models, more innovation on sustainable solutions and a real drive towards the heart of business strategy. But these are steps in Firmenich's leadership and good progress has certainly been made this year."

Stephanie Draper, Director, Change Strategies,
Forum for the Future
Firmenich Sustainability Board Member

WE ARE MAKING A DIFFERENCE



YEAR ON YEAR. WE ARE PROUD TO REPORT THE SIGNIFICANT



Key to the success of our naturals business is a focus on sustainability. The sustainability profile of natural products is greatly affected by how and where we purchase raw materials, not just by the way they are processed. This is why we have developed the Firmenich Sustainability Index which helps us evaluate and communicate the sustainability profiles of different natural products. The index is a significant step toward providing sustainability information to our clients.

The Sustainability Index for natural products assesses sustainability based on 12 indicators in four groups: financial, social & human, natural, and manufacturing. The index highlights key sustainability factors and helps compare similar products from different sources. We are working to improve the sustainability profile of certain natural products by changing the way they are purchased and/or manufactured.

By the end of June 2009, 100 natural raw materials had been analyzed using the index and a further 110 are being reviewed. This information is being used to help our customers make the most informed choices based on sustainability.

Information from the index helps us develop more sustainable business relationships with producers. For example, sustainable sourcing projects are being developed with suppliers in Egypt, Indonesia and Morocco to tackle social and economic risks associated with our raw materials produced on farms.

We have used the index to make important decisions to reduce the use of raw materials from locations where social and environmental risks are high. For example, the index was instrumental in our decision to buy sustainable Ugandan vanilla. We also chose to purchase patchouli from well-managed plantations rather than the open market.



A man with brown hair and blue eyes, wearing a white dress shirt and a black leather watch, is shouting with his mouth wide open and hands cupped around his face. The background is plain white.

IMPROVEMENT THAT

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WE HAVE MADE IN THE AREA

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ENVIRONMENT

Natural resources are being used at an unsustainable rate. We are generating greenhouse gas emissions which are contributing to the most pressing environmental concern of our time: climate change. It is everyone's responsibility to reduce emissions and use natural resources more efficiently.

E

OF EMPLOYEE

Performance

This is our fourth consecutive year of reporting against the 2005 baseline. We continue to make steady progress toward reaching our five 2010 environmental goals, already achieving three (see Highlights).

In FY09, improvements on the previous year include:

- 24.1% reduction in volatile organic compound (VOC) emissions (kg per tonne sales)
- 5.0% reduction in energy use (GJ/tonne sales)
- 21.9% reduction in hazardous waste (kg per tonne sales)

Managing Our Performance

Audits

We conducted comprehensive environmental baseline audits at every affiliate worldwide during FY08. In FY09, the findings were analyzed and affiliates developed plans with a total of 154 prioritized action items. Each item was assigned an owner. Completion target dates in FY09 were set for all important actions, ranked as high and medium priority. At the end of FY09, we had completed 92% of the high and 68% of the medium priority actions.

Our facility in Shanghai, China, gained third-party certification to ISO 14001, bringing the total number of certified sites to 10.

We are committed to playing our part. The Firmenich Fundamentals, our corporate values, state: "We do not compromise on quality, safety or environment." This promise is elaborated in our Health, Safety & Environment (HS&E) Charter which commits the company to strive for continuous improvement (full text on www.firmenich.com).

Rigorous management systems

We have implemented a global HS&E management system that applies to all our facilities. In 2005, we set five-year improvement goals, based on a 2005 baseline. We are preparing our next set of five-year goals for 2015.

Local management are supported by our HS&E professionals in developing local action plans that support our global goals.

SAFETY - AND IN OUR ATTAINMENT OF GOALS IN RESPECT



Reducing VOCs in France

Determined management with a clear focus on environmental efficiency has proved highly successful in reducing emissions of VOCs from the three sites in southern France we acquired in 2007. The three sites accounted for 46% of our total global VOC emissions in FY08.

We mapped our VOC emissions to establish their sources. Our reduction action plans include the use of alternative processes, including supercritical CO₂ extraction technology which is VOC-free, new production technologies that reduce emissions, and technologies to capture the compounds before they are emitted.

We will also further improve maintenance and training, to raise awareness among operators.

These initiatives have so far led to a cut in emissions by 20%. We plan to halve our FY08 VOC emissions by 2011.

We also received Certificates of Environmental Stewardship from the New Jersey Department of Environmental Protection for our Princeton and Port Newark facilities.

Our HS&E Management System

Our internally-developed HS&E Management System is third-party verified, meeting the needs of ISO 14001, OHSAS 18001, ILO OSH(2001) and the CEFIC Responsible Care Code. This system continues to be used as our internal HS&E compliance audit standard. Regular compliance audits have assisted in verifying performance and identifying further opportunities to improve. We conducted comprehensive audits at five sites during the year.

HS&E investments

Despite a difficult economic climate we continued to support our commitment to HS&E with the necessary investment. Our HS&E capital investment for FY09 at CHF 17.0 million* was 7% lower than the previous year but 72% more than our baseline year. In FY09, we invested in:

- Odor-containment equipment at facilities in North America, Brazil and China.
- A tanker truck unloading platform with fall protection at our ingredient plant in New Jersey, USA.
- Wastewater treatment upgrades at facilities in Argentina and North America.
- Fire protection at two facilities in China.

How we performed

Our performance indicators are normalized against sales. In FY09, despite the economic slowdown and lower sales volume, our performance was only marginally impacted as we started to make absolute reductions in our key indicators. However, in the past two years, as a result of our acquisition of Danisco in 2007, sales volumes have increased over our baseline year and some improvements in performance have been positively affected by this.

VOC Emissions

Emissions of volatile organic compounds (VOCs) are an inevitable by-product of our processes. Our goal is to reduce VOCs. We try to first find and implement benign alternative processes or use alternative materials. Where this is impossible, we use abatement technologies or capture the emissions before they can escape.

We monitor other air emissions, including NO_x, SO_x, and CO₂, and analyze our data to better understand where we can make significant improvements. An example of this would be a 31% reduction in sulphur dioxide emissions from our plant in Kunming China, over a one year period.

In FY09, VOC emissions were reduced by 24.1%, compared with FY08. The reduction was achieved through improvements at two sites in France,

**If the investment is not specifically attributed to either H,S,or E, then a defined percentage of the total project investment is allocated according to our internal asset investment rules.*

OF REDUCING OUR IMPACT ON THE PLANET. WE WORK



Reducing water use in China

Two water-saving projects in China have proven that attention to detail and encouraging a greater awareness of the need to conserve natural resources can deliver big dividends.

In Shanghai, a multi-functional team implemented the Waterman Project to create awareness of the benefits of responsible water use, anticipate and build-in water conservation practices for future site expansion, and share best practice with other affiliates. In FY09, the project reduced process water use by 17%, compared with the previous year.

Our plant in Kunming is now recycling the condensate from steam used in two production workshops. The condensate used to be discharged. The recycling has reduced overall water consumption, saving 5,250 tonnes a year, and reducing demand on underground reserves used by the plant.

where we expect further reductions in FY10, bringing us back on track to achieve our 2010 goal of a 25% reduction globally.

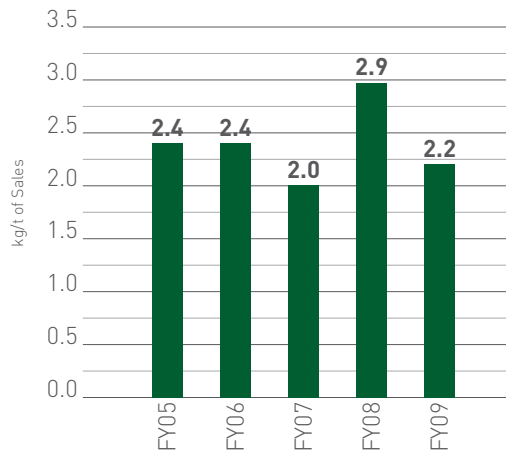
Energy Use & CO₂ Emissions

In FY09, we continued to see benefits of our energy efficiency projects with an 5% reduction in energy use (gigajoules per tonne sales) on the previous year. We reduced our absolute consumption of coal, natural gas and electricity by 11%, compared with the previous year.

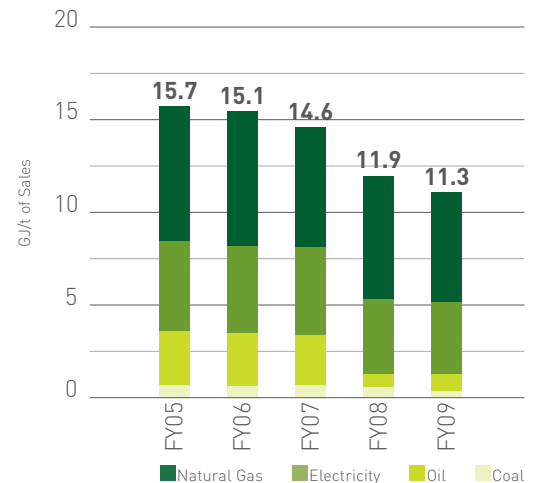
Our commitment to manage and lower our carbon dioxide emissions continues and is in line with our energy use and efficiency goal. In FY08, we started to report our CO₂ emissions for Scope 1 (direct) and Scope 2 (indirect from purchased electricity), having revised our data collection and reporting methodology to allow for this.

Our CO₂ emissions in FY09 reduced marginally on the previous year, with a 1.1% decrease (kg per tonne sales). This means we have exceeded our 2010 goal with a 26.7% decrease (kg per tonne sales) over our baseline. In absolute terms, we reduced our total CO₂ emissions (Scope 1 & 2) by 5.8%.

VOC Emissions



Energy Use



*Each year we revalidate our data, make any necessary corrections retrospectively and report these. Environmental data charts are normalized and stated as per ton of product sales.

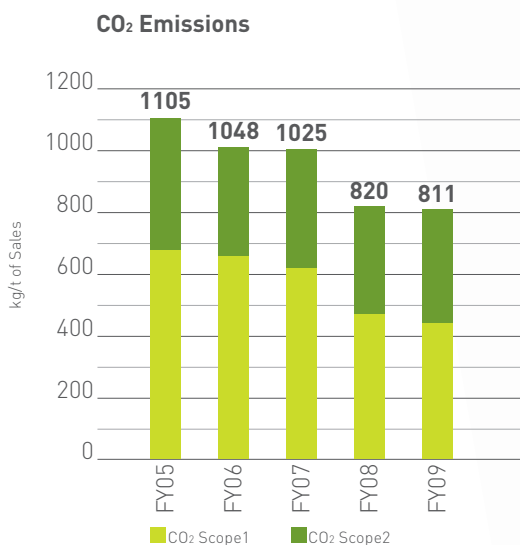
*Our Coal conversion factor was changed after actual analysis of coal thermal efficiency and the factor applied to retrospective years.

TOGETHER AND TAKE

Managing Water Use

We are signatories to the UN Global Compact's CEO Water Mandate. We have looked at ways to manage our total water use (process, cooling & sanitary) and have launched initiatives to reduce our use of water.

In FY09, our total water use (absolute) decreased 12.2% and our process water use (absolute) decreased by 3.9%, compared with FY08. We report process water as one of our key indicators. This decreased by 14.6% (m³ per tonne sales) against our baseline, just short of our FY10 goal of 15%.



*"We believe that Firmenich recognizes the importance of sustainability throughout its business operations. The importance of sustainability is evident at all levels of the business, from worker health and safety, to using resources as efficiently as possible, to ensuring that impacts on neighbouring land users are minimized. This commitment to sustainability is driven by Firmenich's top management and ensures that sustainability considerations are a key influence on all business decisions. For example, **the assessment of sustainability in the supply chain results in Firmenich actively supporting sustainable production of naturals where possible and switching to synthetics where natural production of a compound cannot be done sustainably.**"*

Mark Mackintosh, Partner, Citrus Partners LLP
Firmenich Sustainability Board Member



EVERY OPPORTUNITY TO

MAKING WASTE WORK FOR US

Our site in **Port Newark, New Jersey, USA**, is now selling a co-product it used to treat as hazardous waste.

The plant generates up to 400,000 gallons of methanol a year as a co-product. Methanol – an alcohol – is classified as a hazardous waste, but in its pure form is used for other industrial processes. Researchers at the plant have found a market for the methanol and it is now sold instead of being treated as a waste.

Another process at the plant produces a waste stream composed of ethanol and water, which used to be disposed of as hazardous waste. Researchers devised a way of recycling the ethanol as part of the production process, thus reducing the quantities of ethanol purchased and eliminating a hazardous waste stream.

Researchers at our site in **Sao Paulo, Brazil**, have devised a method of turning a waste produced as part of the process into a fertilizer.

The site uses sodium hydroxide and phosphoric acid in the hydrolysis of natural linseed and sunflower oils, to produce flavor ingredients. The process generates large quantities of acid residue which has a high chemical oxygen demand (COD). The liquid waste is classed as a hazardous waste and has to be trucked to a distant and costly treatment facility.

Our researchers found that the addition of calcium oxide was highly effective in treating the waste, producing a clean calcium phosphate precipitate that can then be used as fertilizer; its use having been approved by the local environmental authorities. The remaining liquid is neutralized by the treatment and has a low COD, which can be processed easily by the on-site waste water plant.

SUPPORT AND SERVE THE COMMUNITIES IN WHICH WE LIVE

Hazardous Waste

In FY09, hazardous waste generation (absolute) decreased by 25.3% on the previous year, and has now decreased by 16.3% (absolute) on the baseline. When normalized on sales, this is a reduction of 44.4% on the baseline, exceeding our goal of a 20% reduction by FY10.

Recycled Waste

We have increased the amount of waste we recycle by 16.5% on our baseline, although in FY09 we recycled 3.6% less than in the previous year. All sites are encouraged to develop specific waste recycling projects and report on their progress.

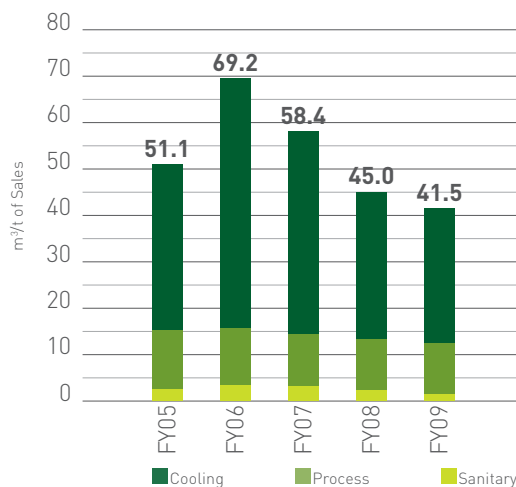
Waste recycling in Singapore

Our site in Singapore formed an improvement team to look at better and less costly ways of disposing of steel drums.

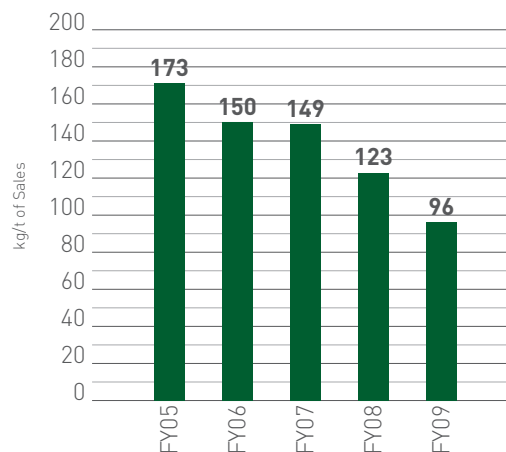
The used drums contain chemical residue and therefore have to be correctly treated prior to recycling. The team selected a local waste company who worked to the site's ISO 14001 procedures to ensure correct handling and appropriate treatment prior to recycling.

During FY09 more than 15,000 drums were treated and recycled.

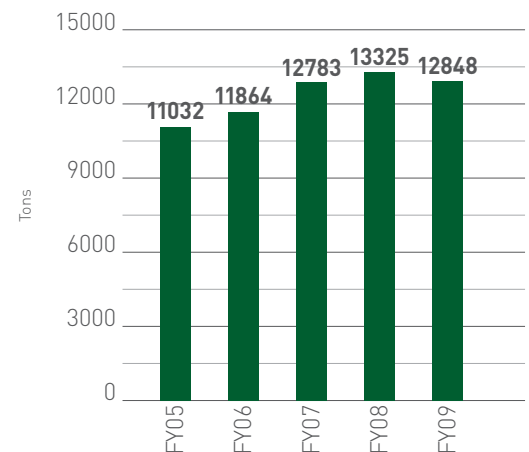
Total Water Usage



Hazardous Waste



Recycled Waste



A woman with dark hair, wearing a striped shirt and a watch, is shown in profile from the chest up. She has her mouth wide open as if shouting or calling out, and her hands are cupped together in front of her mouth to amplify her voice. The background is plain white.

AND WORK. WE CELEBRATE

OUR

OUR SUCCESS AND SHARE

R

Co
COMMUNITIES

Charitable giving and community support have been a fundamental part of our business for decades. We have always believed that profitable companies have an obligation to invest in local and global communities.

C

WITH YOU THE CHALLENGES WE FACE IN OUR EFFORTS TO

In 2009, despite the economic crisis, we remained steadfast in our commitment, contributing to more than 200 local and global organizations by providing money, resources and employee volunteer time.

The Firmenich Charitable Giving Program has three primary areas of focus:

- Curing cancer, with an emphasis on breast cancer research.
- Relieving hunger and improving nutrition.
- Supporting communities local to our facilities. We maximize the impact of our giving by supporting organizations that can bring about change. In 2009, we continued to support:
 - The Breast Cancer Research Foundation, whose mission is to prevent breast cancer and find a cure in our lifetime.
 - The Global Alliance for Improved Nutrition (GAIN) – a foundation funded by the Bill and Melinda Gates Foundation, USAID and CIDA, which fights malnutrition to make people and economies healthier and more productive.
 - Louis Pasteur University in France, where we support a laboratory working on “New Allosteric Effectors of Hemoglobin.”

We also support other organizations, including Forum for the Future, the Massachusetts Institute for Technology (MIT), the Rainforest Alliance, and the WWF.

Forum for the Future: Corporate Partner

In 2009, we became a corporate partner of Forum for the Future, a charity committed to sustainable development. Forum for the Future focuses on the root causes and connections between big issues such as climate change, social inequality and environmental degradation. The Forum works with organizations in business and the public sector that are serious about providing leadership in sustainability, and have the potential to operate sustainably.

Massachusetts Institute of Technology: Enabling New Professors

Thirty years ago, Firmenich endowed a chair at the Massachusetts Institute of Technology (MIT) in honor of Dr. Roger Firmenich and Dr. Georges Firmenich, on the occasion of their retirement from the company.

This professorship has provided vital faculty support in the Department of Chemistry at MIT and reflects a long-term commitment to teaching and research in the education of future generations of chemists. The Firmenich Professorship is a permanent fund as part of MIT’s endowment. With the significant growth of the fund over the

years, the endowment was transformed in 2007 to provide not only for a Senior Professorship but also to create new chairs at the junior or senior faculty level.

Rainforest Alliance: Developing Future Sustainability Leaders

We support and provide funding to the Rainforest Alliance in its mission to conserve biodiversity and ensure sustainable livelihoods. In addition to its certification work, the Alliance develops educational materials for young pupils to help them understand the role that everyone can play in conserving biodiversity.

We understand the increasing importance of providing a well-rounded education. That is why in 2009 we linked the Rainforest Alliance with Achievement First, a non-profit school management organization that operates a growing network in public schools in the states of Connecticut and New York, U.S.A.

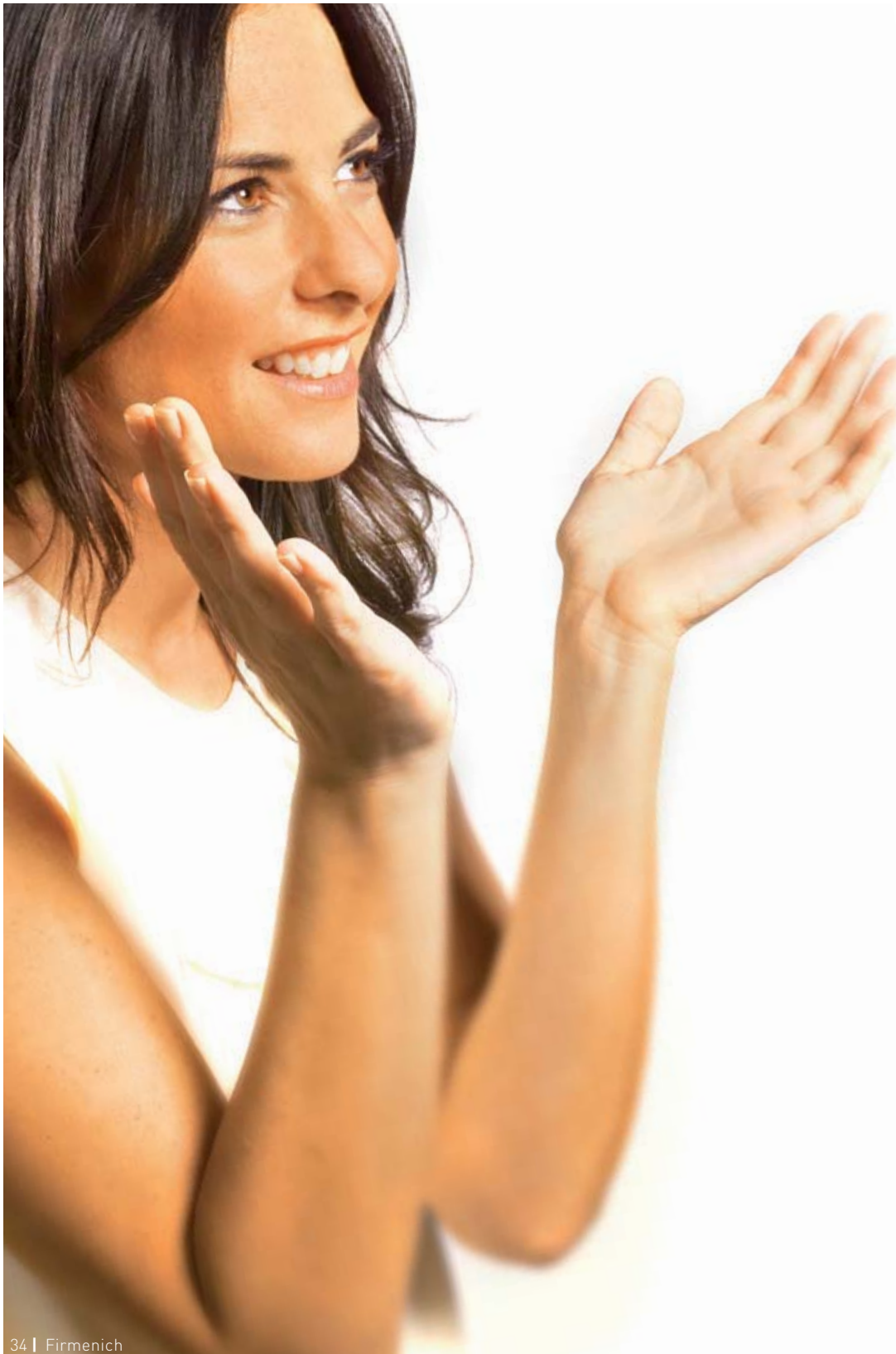
We have provided funding to both organizations to pilot a new curriculum for a high school in Brooklyn, New York. This will help educate New York City students on the importance of biodiversity conservation. After successful completion of our pilot in Brooklyn, we plan to provide increased support in 2010 to extend this program to other schools.



BECOME EVEN MORE

*"Any business depends on society, and society on business' ability to create value. Firmenich is doing well in managing this interdependence, and can now aim to be even more strategic in how it can further engage to meet society's needs. **As members of the Firmenich Sustainability Advisory Board, we pose many challenging questions to Firmenich as they continue their valuable work in the area of sustainability.**"*

Marc Pfitzer, Managing Director, FSG Social Impact Advisors
Firmenich Sustainability Board Member



SUSTAINABLE.

Volunteering in the Community

On September 25, 2008, we celebrated our fourth annual Community Day, "A Sense of Sharing." More than 1,400 employees from all Firmenich locations took part in 87 projects in their communities. Once again, the event allowed us to express the common values we place on individuals and sharing our talents and creativity within our local communities.

Being able to share our talents, energy and positive spirit with those who are less fortunate is an enriching experience for all those involved. Each year, we try to include new associations to work with and new activities to try.

For example, in **Argentina**, volunteers spent the day with Crecer, a private organization which assists mentally handicapped people by improving the safety and conditions of their residential building. Volunteers painted apartments, installed air



WE'RE INSPIRED TO BUILD ON OUR HERITAGE AND REACH

conditioners which we donated, and carried out numerous maintenance tasks to improve overall sanitary conditions.

In **China**, our employees visited San Jia Sun, a remote mountain village supported by Firmenich for the past three years. The volunteers delivered clothes, stationery, books, toys and two computers for the residents of the village.

In **France**, our employees spent the day with a number of residents from a retirement home. The participants visited our offices and learned about the creation of flavors and fragrances. They were also taken to the top of the Eiffel Tower.

In **Mexico**, our employees planted 4,800 trees in Morelos Sierra, near our factory in Toluca.

In **Switzerland**, our employees organized a day at a water park with swimming and games for autistic children. Another group of volunteers spent the day at Fondation Aigues-Vertes, a small village outside Geneva which supports people in need of a social integration. In support of Pro Natura, a national conservation organization, our volunteers helped clean more than 500 square meters of meadow.

In the **USA**, at the St. Louis Area Food Bank in Missouri, our group prepared more the 2,500 meals for the hungry. The Food Bank provides food to pantries, homeless shelters, soup kitchens and emergency feeding programs in Missouri and Illinois.



In Princeton, New Jersey, volunteers introduced 200 students to the art and science of creating flavors and fragrances. Others in Princeton volunteered to read for the blind through a special broadcast program.



WWF: Raising Climate Change Awareness

Earth Hour is an annual global event sponsored by the World Wildlife Fund during which people turn off their lights for one hour to raise awareness of climate change and the need to take action. To mark Earth Hour 2009, our offices in Singapore decided to make the event both industry- and sociologically-relevant by lighting specially perfumed candles while their lights were out. The company created a poster depicting four staff members holding candles in front of an image of the earth. The poster was supported by an email campaign encouraging all employees to participate.

On March 28, 2009, at 8:30 pm, all 250 Firmenich employees in **Singapore** switched off their lights, lit their candles and 'voted for earth' together with one billion people around the world. This is what two employees said: "We are delighted to do our part to help conserve mother earth by observing Earth Hour 2009, as a testament of our love and concern for many generations to come." Betinna Lim, Director of Human Resources.

"Participating in Earth Hour helps foster an enthused and unique environment within the company. It provides a powerfully simple concept to a complex global issue. It also invites the issue into our lives in a very personal way." Firmenich Singapore's Managing Director, Matthew Furner.

NEW HEIGHTS AS WE CONTINUE OUR JOURNEY AND PREPARE

DEFINITIONS

OHSAS 18001 is an international occupational health and safety management system specification. This standard was created via the concerted effort from a number of the world's leading national standards bodies, certification bodies and specialist consultancies.

ISO 14001 is an environmental management standard. It defines a set of environmental management requirements for environmental management systems. The purpose of this standard is to help companies to protect the environment, to prevent pollution and to improve their overall environmental performance.

ISO 9001:2000 defines world class standards for effective Quality Management Systems and is integral with management, documentation and manufacturing practices organization-wide. This standard specifies a process-based approach with value added, customer-focused activities on which personnel, planning, resources and metrics are built to assure product quality, continuous improvement and business strategy are optimized.

FOOD SAFETY STANDARDS

There are different Food Safety certification schemes that Firmenich has adhered to:

- Food Safety (ISO 22000)
- FoodSafety (HACCP/FPA/BRC/AIB)

Food Safety ISO 22000 specifies requirements for a food safety management system where an organization in the food chain wishes to demonstrate its ability to control food safety hazards in order to ensure that food is safe at the time of human consumption.

Food Safety HACCP/FPA/BRC/AIB encompass several global standards which are aimed at assuring product integrity in the realm of food safety, inclusive of regulatory related food safety standards (e.g. contaminants, residues, etc.), product security (e.g. addressing terror and tampering threats), and the entire sphere of conventional HACCP based and pre-requisite programs.

The terms “**kosher**” and “**halal**” refer to dietary rules followed by religiously observant Jews and Muslims. The aim of certification is to give halal and kosher consumers confidence that the products they consume comply with the complex rules governing what is permissible for them to eat. Independent agencies such as the Orthodox Union (OU) for kosher and the Islamic Food and Nutrition Council of America (IFANCA) for halal provide certification.

SEDEX the Supplier Ethical Data Exchange provides an independent platform on which companies can enter information about their social accountability policies and performance. Firmenich is currently populating this database with self assessment questionnaires, and audit reports against the Firmenich Social Accountability Standard.

FOR GENERATIONS TO COME. WE LOOK FORWARD TO HEARING

ZONE	SITE	SAFETY OHSAS 18001	ENVIRONMENT ISO 14001	QUALITY ISO 9001	FOOD SAFETY STANDARDS	HALAL	KOSHER	SEDEX REGISTRATION
EUROPE	CASTETS, FRANCE		●		NA	●	●	
	ALESUND, NORWAY	●	●	●	●	●		●
	GENEVA (MEYRIN), SWITZERLAND			●	●	●	●	●
	GENEVA (LA PLAINE), SWITZERLAND					●	●	
	NORTH YORKSHIRE, UNITED KINGDOM	●		●	●	●		●
	LOUVAIN, BELGIUM			●		●	●	●
	GRASSE, FRANCE	●	●	●			●	●
	SEILLANS, FRANCE				NA		●	●
NORTH AMERICA	ANAHEIM, CALIFORNIA				●	●	●	●
	NEWARK, NEW JERSEY	●	●		NA	●	●	●
	SAFETY HARBOR, FLORIDA				●	●	●	●
	PRINCETON, NEW JERSEY	●	●		●	●	●	●
	NEW ULM, MINNESOTA	●	●		●	●	●	●
	SAINT LOUIS, MISSOURI	●	●	●	●	●	●	●
	LAKELAND, FLORIDA			●	●	●	●	
LATIN AMERICA	SAO PAULO, BRAZIL	●		●	●	●	●	●
	BOGOTA, COLOMBIA			●	●			●
	BUENOS AIRES, ARGENTINA			●			●	●
	TOLUCA, MEXICO			●	●		●	●
ASIA PACIFIC	SHANGHAI, CHINA	●	●	●	●	●	●	●
	DAMAN, INDIA							●
	JAKARTA, INDONESIA				●	●		●
	KUNMING, CHINA				NA		●	
	IBARAKI, JAPAN			●	●			●
	SINGAPORE	●	●	●				●

NA = Not Applicable due to nature of operation

WHAT YOU HAVE TO SAY ABOUT OUR PERFORMANCE AND OUR

SGS Société Générale de Surveillance SA's report on sustainability activities in the Firmenich Sustainability Report 2009.

Nature and Scope the assurance / verification

SGS Société Générale de Surveillance SA was commissioned by Firmenich to conduct an independent assurance of the Sustainability Report 2009. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all text, and data in accompanying tables, contained in this report.

The information in the Sustainability Report 2009 of Firmenich and its presentation are the responsibility of the Directors and the Management of Firmenich. SGS has not been involved in the preparation of any of the material included in the Sustainability Report 2009.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2006) and the AA1000 Assurance

Standard (2003). These protocols follow differing levels of Assurance depending on the reporting history and capabilities of the Reporting Organisation.

This report has been assured using the protocol for content veracity and materiality. The assurance comprised a combination of interviews with relevant employees at the Headquarters in Geneva, and a record and document review.

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 affirm our independence from Firmenich being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with the following qualifications: Lead Quality, Environmental and SA8000 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 the Sustainability Report 2009 verified is accurate, reliable and provides a fair and balanced representation of Firmenich sustainability activities in the financial year July 2008 to June 2009.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.



VISION OF A MORE SUSTAINABLE WORLD.



The Firmenich Sustainability Advisory Board:

*Stephanie Draper
Director, Forum for the Future*



*Mark Mackintosh
Partner, Citrus Partners LLP*



*Bérangère Magarinos
Director, Partnerships Program,
Global Alliance for Improved Nutrition*



*Marc Pfitzer
Managing Director, FSG Social Impact Advisors*



*Guillaume Taylor
Partner, de Pury Pictet Turrettini & Co. Ltd*



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