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Photo by Albert Delamour, 2008 ©Firmenich

About the cover

“The Essence of Sustainability”

The cover image is a metaphor of the many sustainable initiatives we have developed at Firmenich.

The clear, glass vessel symbolizes our commitment to transparency in **Our Company**.

The hands represent the personal touch - the creativity and intimacy that characterizes **Our People**.

The contents of the vessel symbolize the sustainable ingredients we use in **Our Products**.

The image encapsulates our commitment to **Our Communities** where we work and from where we source our raw materials, in ways that are mindful of the balance that must be maintained between our operations and protecting **Our Environment**.

ABOUT THIS REPORT

This report was created to help our employees, clients and other stakeholders understand the importance that Firmenich places on Sustainability. The report reflects the performance of Firmenich’s global operations related to its fiscal year ended June 30, 2008. We trust that it gives a balanced and fair assessment of our objectives and results in these areas. An independent verification statement can be found at the end of this report.

MESSAGE FROM OUR CHAIRMAN AND CEO

Welcome to our third annual Sustainability Report. We believe that sustainable business success is anchored in the long-term interest of our customers, employees, and our environment.

We are a global company with firm commitments to the global community. This is why we signed the UN's Global Compact in 2008, which commits us to perform against ten principles upholding social, environmental and anti-corruption standards worldwide.

At the same time, we signed the Global Compact's CEO Water Mandate that commits us to work with others to find solutions to the impending global crisis over the availability of clean water. We have also joined the World Business Council for Sustainable Development, a group of international businesses who are committed to contribute to sustainability.

As a family company, our focus is also local. We work hard to provide our employees with a safe and stimulating work environment in which they can fully develop their potential. We strive to be good corporate citizens, investing in our local communities and operating our facilities with minimal environmental impact.

Our ability to deliver sustainable solutions to our clients is critical to the success of our company. We are well-equipped to help clients to be successful in dealing with their own sustainability challenges.

We are dedicated to balanced and transparent reporting, highlighting not only our successes but also the challenges that we face and areas where we can continue to improve.

We look forward to your feedback.



Jean-Marc Bruel
Chairman

A stylized, handwritten signature in black ink, consisting of a long horizontal line with a small loop at the end.

Patrick Firmenich
CEO

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



A PASSION FOR SMELL AND TASTE

Based in Geneva, Switzerland, Firmenich is the largest privately-owned company in the fragrance and flavor business. Our turnover for the year ending June 30, 2008, was CHF 2,847 million. Family-owned since we began in 1895, we have created many of the world's favorite perfumes and produced a number of the world's most-loved flavors.

Our passion, creativity, and exceptional understanding of sensory perceptions and trends, have helped forge our world-class reputation. Our considerable investments in research and development (R&D) demonstrate our desire to understand, share, reinvent, and sustain the best of what nature has to offer in smell and taste.

Our business has recently expanded with the acquisition of Danisco's Flavor Division in July 2007. In total, we employ more than 5,800 people in 53 countries and have manufacturing plants in 15 countries.

Independent. Creative. Intimate.

HIGHLIGHTS

In Fiscal Year 2008, Firmenich:

- Recorded a one-year reduction in Lost Time Case (LTC) rate of 67%.
- Exceeded 4 of our 5 Environmental Goals (against the 2005 baseline).

	FY08	2010 Goal
VOC	29.2% ↑	25% ↓
CO ₂	25.5% ↓	15% ↓
Energy Use	23.8% ↓	10% ↓
Hazardous Waste	30.6% ↓	20% ↓
Process Water	15.1% ↓	15% ↓

- Signed the UN Global Compact and the Compact's CEO Water Mandate.
- Became the first company in the fragrance and flavor industry to join the World Business Council for Sustainable Development (WBCSD).
- Partnered with the Global Alliance for Improved Nutrition (see page 25).

- Entered a business partnership with Forum for the Future - a sustainable development charity who works with leading organizations in business and the public sector.
- Conducted Environmental Impact Studies at all manufacturing sites worldwide with no major findings (see page 20).
- Launched a sustainability program in Uganda to improve the prospects of thousands of vanilla farmers (see pages 16-17).
- Achieved ten new external certifications on four continents:
 - 3 certifications under ISO 14001 (environment)
 - 4 certifications under OHSAS 18001 (safety)
 - 3 certifications under ISO 22000 (food safety).





PE

PEOPLE

Talented. Trusted. Global.

OUR PEOPLE

We employ more than 5,800 people in 53 countries, a third of them based in Asia and Latin America.

We are a family company with firmly entrenched values that place a premium on the importance of people – nurturing their talents and providing a safe and stimulating workplace. We know that we will do well if our people do well.

The Firmenich Difference

The success of Firmenich over the years has been due, in large part, to the dedication and talent of our employees.

We recognize individuality and innovation within the context of strong teamwork, as vital qualities in our pursuit of sustainable long-term growth. The Firmenich Culture emphasizes:

- Independence: We have always fostered an entrepreneurial spirit that preserves the freedom to think and to act, within our self-imposed economic and moral limits.
- Creativity and Innovation: The talent and skills of every employee ensure that we maintain the group dynamic needed to reach our goal of excellence in everything we do.

The Firmenich Standard

The Firmenich Social Accountability Standard (see full copy of Standard on www.firmenich.com), established in 2007, requires compliance with national laws and respects the principles of the International Labor Organization, as well as the United Nations Universal Declaration of Human Rights, in critical areas of employment and basic human rights.

All Firmenich affiliates are required to comply with this standard and 4 of our largest affiliates have already been successfully audited against our standard.

An important element for improving the sustainability performance of our company and products is to build long-term relationships with raw ma-

terial suppliers who share our fundamental values in this area.

The auditing of our priority suppliers also allows us to improve our overall product stewardship. We have begun a confirmation process, already covering around 300 raw material suppliers and will continue to roll this out during FY09.

With our acquisition of the Danisco Flavor and Fragrance business in July 2007, FY08 has proven to be both a challenging and rewarding year for our company from a people perspective. As a result of this acquisition, the total number of Firmenich employees increased by about 10%. We placed a great emphasis on the human aspects of the acquisition, exercising due care to listen to our new colleagues and balancing the best of two cultures. We are proud of how quickly the two teams became one.



Three colleagues in our Perfumery Division perform an olfactive test to find the best fragrance for a shampoo brief.



EMPLOYEE HEALTH & SAFETY

We are proud of our improvement in the area of Employee Safety. In FY08, we achieved a one-year reduction in Lost Time Cases of 67% and a reduction in Total Recordable Cases of 39% (further details against baseline FY05 on page 9).

Our Approach

Every organization has a duty to provide its employees with a safe workplace.

Our Health Safety and Environment (HS&E) Charter pursues a vision of world-class performance. Since 2005, we have developed an approach to achieve this vision based on:

- Leadership from the top. Having signed the World Safety Declaration in 2007, we fulfilled the commitment to publicly report our progress at the XVIII World Congress on Safety and Health at Work, in Seoul, Korea. Our Vice President, Global Health, Safety and Environment was invited as a keynote speaker at this prestigious event in June 2008.
- Clarifying that health and safety is the responsibility of line managers rather than solely health and safety specialists.
- Establishing a baseline of performance in 2005, with 2010 targets for two key measures: the rate of cases involving time away from work (the Lost Time Case – LTC rate) and the rate of all recordable illnesses or injuries (the Total Recordable Case - TRC rate). These rates are expressed per 200,000 hours worked.
- Strengthening the health and safety function with relevant professionals, able to provide support and training to address key local issues at each site.
- Introducing a health and safety management system covering key hazards, supported by audits and follow-up of all injuries and incidents to identify action necessary to avoid repetition.
- Ensuring that managers understand that non-reporting of injuries and incidents is taken seriously.
- Introducing reward and recognition to reinforce the appropriate health and safety culture and behaviors.

Our Performance

In FY08, we moved from our initial focus on lost time cases (LTC) to concentrate on total recordable cases (TRC).

The aim is to gradually move from lagging to leading indicators of performance and to stress that our ambition is to avoid people being hurt, not just avoiding lost time. TRC targets were agreed for each manufacturing site.

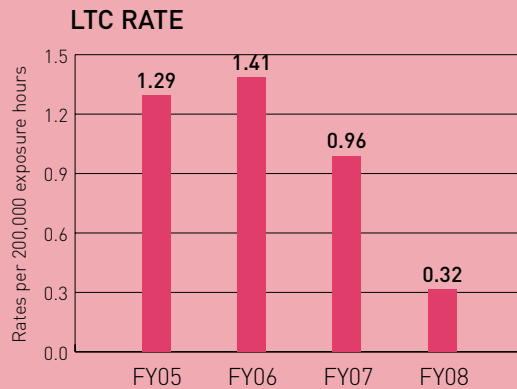
Performance in FY08 improved dramatically over our baseline year FY05, as the charts show on the following page. Each year we revalidate our data, making any necessary corrections retrospectively and report these.



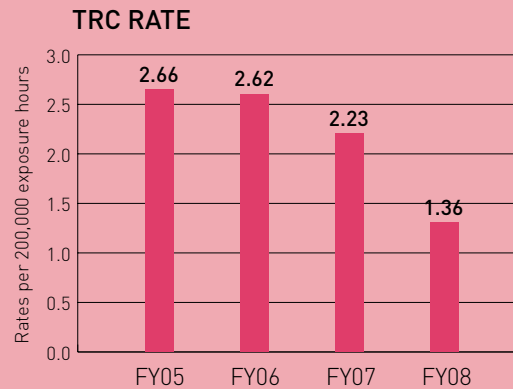
From our manufacturing facilities to our offices and labs, the health and safety of our employees is a top priority.

PERFORMANCE

EMPLOYEE HEALTH & SAFETY PERFORMANCE



* LTC Rate = Lost Time Cases per 200,000 exposure hours. (a "Case" is a Recordable 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).



* TRC Rate = Total Recordable Cases per 200,000 exposure hours. (This is the sum of Lost Time Cases + Restricted Work Cases + Medical Treatment, which are either Injury or Occupational illness.)

Behind these figures:

- Our LTC rate has improved by 75.2% and TRC rate by 48.9% against the FY05 baseline.
- 6 manufacturing sites achieved no recordable injuries during the year.
- 10 sites achieved more than 100,000 hours free of reportable incidents.
- 18 sites worked for more than a year without any lost time cases.
- Out of 27 manufacturing sites, the number failing to achieve their TRC

target fell from 12 at the start of the year to just 4 at the end.

- Safety performance improvement at one of our Geneva sites was recognized by the Swiss Accident Insurance Association (SUVA).

To maintain our safety performance improvement, we also began to tackle behavior changes. We tested a behavior-based safety management program in Geneva, which will be rolled out to several other manufacturing sites during FY09.

In addition to our focus on workplace safety, we initiated actions on occupational health management in FY08. We undertook a review of how we manage occupational health at our major sites, with the findings validated by an external expert and an improvement plan submitted to senior management.



INVESTING IN PEOPLE

Promoting diversity and inclusion is important for our business success. It comprises a significant element in our INSPIRE2010 strategy.

To achieve our sustainable business goals, we need to attract and retain the best talent, stimulate creative and innovative thinking, and draw fully on the knowledge and experience of all our employees.

We employ 82 nationalities across the company and currently 60% are male and 40% female.

We are placing an even greater focus on fostering an organizational culture that embraces diversity and inclusiveness.

We are building diversity and inclusiveness into our competency framework, and our training programs. We have implemented a "Career Ladder" which allows us to have a comprehensive understanding of gender and cultural representation across the organization. In this report, we are transparent in reporting gender diversity

at various levels in the organization. We are analyzing our data and are taking further steps to assure that we significantly increase gender and cultural diversity at all levels.

In February 2008, senior management participated in a diversity workshop - led by an expert from IMD, one of the world's leading business schools - which demonstrated the business value and benefits of diversity. Each participant has since started a reverse-men-

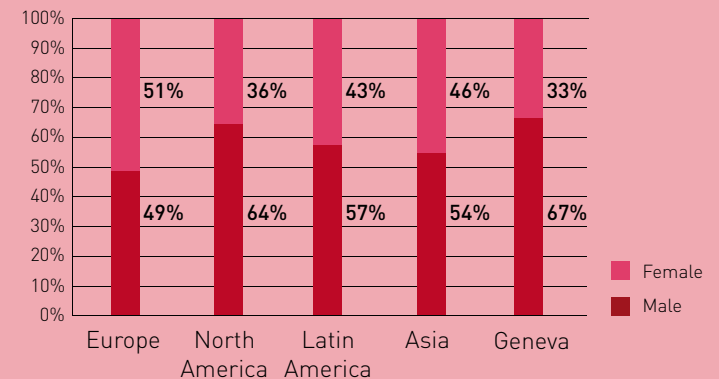
toring program, in which top managers are mentored by middle level management to share challenges and perspectives from a different view point. This training will be extended to our divisional executive teams.

EMPLOYEE GENDER DISTRIBUTION

FEMALE PRESENCE AT MAIN LEVELS OF THE FIRMENICH CAREER LADDER (in %)



GENDER BY ZONE FY08



CASE STUDY

Wherever we operate, we encourage our employees to live healthy lifestyles and provide them with opportunities to explore ways they can eat well and take regular exercise. We provide two examples of healthy initiatives the company has sponsored in Switzerland and the U.S.

United States

The programs we support include:

- Weight Watchers at Work
- Fitness center discounts
- Stress management programs
- Smoking cessation programs
- 24-hour Health Information Line
- Walking as exercise.

We were encouraged by the remarkable support that employees showed for the 10,000 Steps a Day program in the fall of 2007. This program promoted the many health benefits of walking and set a target of walking 10,000 steps a day. More than 700 employees registered and together, we walked a total of 34,219 miles in a month.

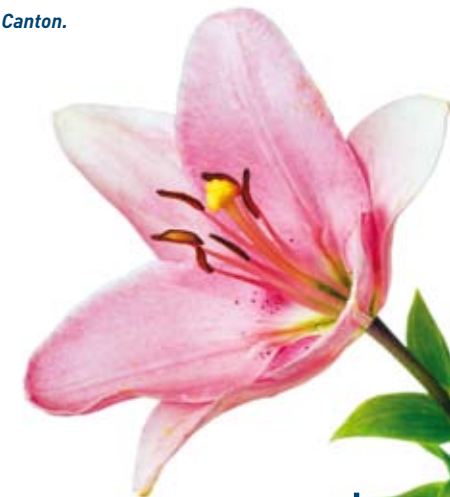
Switzerland

More than 80 years ago, a recreation and sporting organization, known today as "Firloisirs" was created for our employees in Switzerland. Firloisir is a Firmenich-sponsored employee organization which provides employees opportunities to participate in sporting and cultural activities.

The sporting activities of Firloisir include: badminton; bowling; cycling; golf; hiking; rugby; running; sailing; skiing and tennis. In the past year, 826 employees working in Geneva participated in a Firloisir activity.



166 Geneva-based employees join together in the race around the Canton.



P R

PRODUCTS



Award-winning. Innovative. Desired.

OUR PRODUCTS

We create perfumes and flavors for the world's most desirable brands. Everyday, more than a billion people worldwide use a product fragranced or flavored by Firmenich.

Our Perfumers and Flavorists work with a palette of several thousand raw materials, both synthetic and natural. Our acquisition of the Danisco Flavor and Fragrance businesses in 2007 dramatically enhanced our portfolio of natural and organic materials.

Striving for Sustainability

We define sustainable fragrance and flavor products as those that provide environmental, social, and economic benefits without harming public health, social welfare, and the environment, over their full lifecycle.

We provide a wide selection of both synthetic and natural products to best serve the needs of our customers. Our focus is always on using science and technology to ensure we use resources as efficiently as possible.

Synthetic ingredients can often be among the most sustainable because synthesizing can reduce the impact on biodiversity, cut the amount of waste produced and avoid the need to transport raw materials long distances.

We still face a number of challenges, not least in managing the environmental profile of our complex portfolio of raw materials and manufacturing processes. Our focus will remain on external certification to international standards, but in the future we will also:

- Help our customers better understand how we define the sustainability of products.
- Certify the sustainability of our expansive supplier network.
- Reduce transport and packaging materials.



Inspired by Nature, Furaneol® is a key Firmenich proprietary molecule.



PURSUING PREMIUM PRODUCT QUALITY

An essential part of corporate sustainability is to ensure that customers are provided with the quality they expect. Firmenich has a reputation for providing a consistently high level of quality.

We have developed a robust reporting system to accumulate and evaluate our quality statistics. We evaluate our quality based upon a number of criteria including a Customer Quality Index (CQI) which reflects any service or product non-conformance which could have potentially impacted a cli-

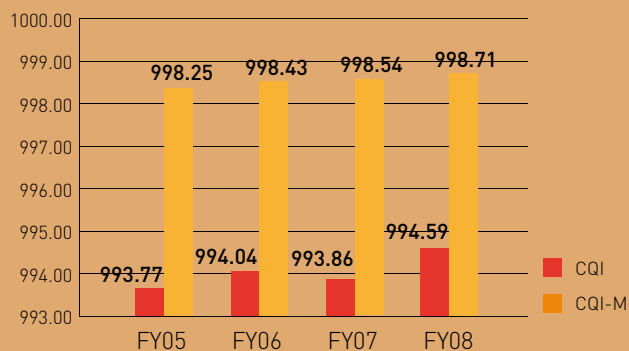
ent. The chart on this page details our results since FY05. In 2006, we launched "Firmenich Quality Excellence 2010" to further improve quality. In 2008, our overall CQI improved by almost 12%.

Most Firmenich plants have been certified under one or more of a number of global standards aimed at assuring product integrity in the realm of food safety and product security.

This year, we increased the level of external certification in our food safety

program. By June 2008, we had attained certification under the ISO 22000 food safety standard in China, Brazil, Columbia and Mexico. A further three sites are working towards certification under this standard for FY09. Our long-term goal is to achieve this standard at all of our flavor plants. See page 29 for details of our certifications.

GLOBAL CUSTOMER QUALITY INDEX



CQI = all Customer accepted conformed deliveries per thousand orders
CQI-M = all Customer accepted conformed deliveries per thousand orders, excluding minor non-conformances



Volatiles of a Rosa Gallica captured using Solid Phase Micro-Extraction in order to create a NaturePrint®. NaturePrint® relates to flavors and fragrances created by Firmenich Flavorists and Perfumers based on accurate templates of volatiles from natural products.

ENSURING PRODUCT SAFETY

All substances used in our flavors and fragrances have to pass through a rigorous safety assessment. We have many systems in place to ensure safety.

Our Product Safety and Regulatory Affairs Group (PS&RA) sets safety, regulatory, and customer standards for all raw materials used.

In 2006, we established an advisory Consultant Medical Group (CoMEG) - four medical doctors with expertise in clinical dermatology, reproductive toxicology, metabolic, and structure-related toxicology, and respiratory toxicology. The doctors, from Europe and the USA, advise on policy and strategy.

The European Union's **REACH**, (**R**egistration, **E**valuation, **A**uthorization and **R**estriction of **C**hemical substances) legislation came into force in 2007. The law's objective is to ensure a high level of protection of human health and the environment.

Each chemical substance produced in, or imported into, the European Union at levels above one ton a year is subject to REACH. This means Firmenich will pre-register around 800 substances, which have to be managed under the new law.

A major pillar of REACH is the communication of safety information throughout the supply chain. The results of the safety evaluation of individual chemical substances will allow us to continuously review the overall safety of our products in order to reduce their environmental impact either during the manufacturing process or during use by the consumer.

We believe in global standards and use the same high standards wherever we operate, even if less stringent local standards exist. We use our strong influence in the various national and international associations to advocate that such standards are respected and applied by the entire industry.



All Firmenich products are carefully controlled in order to ensure product safety and quality, as well as to reduce environmental impact.

CASE STUDY

Partnering for Sustainable Vanilla in Uganda

There are approximately 6,200 small farmers in Uganda who are partners in the Firmenich Ugandan Sustainable Vanilla Project, which embraces commercial, social, and environmental objectives.

Most of the world's vanilla comes from Madagascar (65%) where climatic, political, and market instabilities have caused variations in supply and price. Uganda, which produces about 9% of the world supply, is a good alternative source. But many Ugandan farmers are extremely poor and lack essential skills to produce high-quality vanilla.

With support from the Danish government, Firmenich has partnered with the largest vanilla processor in Uganda to improve the quality and quantity of vanilla beans. This will boost the viability of vanilla production, lead to a more dependable supply and create greater security for the farmers.

We started by upgrading the curing station to ensure that our quality and food hygiene standards are met. We also train the farmers on all aspects of vanilla production and crop handling. Better quality enables us to pay higher prices to the farmers.

Part of the project is to help farmers diversify so that they are not entirely dependent on a single crop. We plan to set up demonstration projects on how to raise chickens and grow sweet potatoes, which are rich in vitamin A. In this way, the farmers will have other sources of income.



A Ugandan farmer delicately holds a Vanilla Planifolia flower at one of our partner farms.

Other long-term initiatives planned or underway to help the farming communities include:

- Launching a village savings and loan scheme (village level 'micro-banks') to help farmers save and provide access to small loans.
- Employing 24 extension workers who will work with local non-governmental organizations (NGOs) to provide community-based awareness-raising and counseling services to address the issues of HIV and malaria.
- Distributing 6,500 treated mosquito nets to vulnerable families to protect against malaria. We have already distributed 1,000 treated nets.

- Setting up demonstration rain-water collection storage and treatment programs that will be used to train farmers in all of our growing regions. Water demonstration projects will also be set up in village schools to reduce their reliance on potentially contaminated springs.

We believe this project helps us establish our position as a credible supplier of high quality, ethical, and natural ingredients. This will help us meet the demands of a new generation of sustainability-conscious consumers, while helping thousands of Ugandan families to improve their quality of life.



Ugandan farmer receiving protective mosquito netting for her baby.





EN

ENVIRONMENT

Valued. Respected. Protected.

OUR ENVIRONMENT

The Earth does not have the capacity to cope with the rate at which resources are currently being used and waste is being generated. We all have a responsibility to use natural resources more efficiently. Climate change is a particularly urgent challenge which requires substantial reductions in carbon dioxide (CO₂) emissions.

Almost all of our environmental indicators showed further improvement in FY08:

- One year Carbon Emission rate reduction of 19.8%
- One year Energy Use rate reduction of 17.7%
- One year Total Water Usage rate reduction of 22.9%

Striving for World Class Standards

The Firmenich Fundamentals, our corporate values, state: "we do not compromise on quality, safety or environment." This promise is detailed in our HS&E Charter which commits us to strive for continuous improvement to achieve world-class standards (full copy available on www.firmenich.com).

Rigorous Management Systems

In managing our environmental impact, we adopted a rigorous management-systems approach, beginning with a

definition of our baseline performance in FY05. These systems are being improved every year.

To focus management attention, we adopted achievable, but stretching, targets for performance from our baseline of FY05 to FY10, with the aim of continuous improvement.

Managers have been supported in developing local plans to achieve these global targets, and a series of audits to verify compliance and identify areas for improvement.

Understanding our Impact

Our primary focus was on VOC's and CO₂ emissions. The compounds that create VOC emissions are essential to our business, but it is important to prevent releases from factories which can potentially have an impact on local communities and the environment in general.

Our approach to VOC emissions is to identify opportunities for investment in abatement equipment and to consider alternative raw materials and processes which will reduce or eliminate emissions.

For carbon dioxide, we set out to better understand our energy use so that we could develop effective carbon reduction projects at key sites. We have also included plans to reduce hazardous waste and water use. This will reduce our overall environmental footprint, as well as provide cost savings to our business.

In the longer term, we aim to improve product design and manufacturing processes so that we will be able to reduce absolute levels of emissions and not just improve the efficiency with which we use resources.



This year, our La Plaine, Switzerland ingredient facility celebrates 70 years of harmony with the surrounding community and natural environment.

MANAGING OUR PERFORMANCE

Audits

Our most significant environmental activity in FY08 was an extensive audit program.

The site environmental assessment program included 30 audits, of which 27 were manufacturing sites. In general, the audits confirmed our priorities in the areas of air emissions, energy, water, and waste. A total of 83 High, Medium, and Low Priority findings were reported and action plans have been developed to manage these during FY09.

We also achieved Third Party certifications under the ISO 14001 and/or OHSAS 18001 standards at seven sites. We plan a further seven such certifications in FY09.

HS&E Management Principles and Codes

The Firmenich HS&E Management Principles and Codes were finalized in FY08. They have been verified by SGS as meeting the needs of the ISO 14001 and OHSAS 18001 standards as well as the ILO OSH (2001) and CEFIC Responsible Care standards. The codes and principles cover Management Principles, Operational Codes, and Advanced Management Standards.

Health, Safety & Environmental Investment

Our HS&E capital investment has tripled over three years from CHF 6.2 million in FY05, to CHF 18.3 million in FY08.*

Examples of projects include a flammable goods storage area in China, a waste water treatment plant in Norway, spray dryer protection in Mexico, and an environmental containment area at our ingredient site in Geneva.

Detailed Performance

In FY08, performance trends have been affected by the integration of the flavor division of Danisco. We did not change our 2010 goals in light of this acquisition. All figures are quoted against our baseline year of FY05.

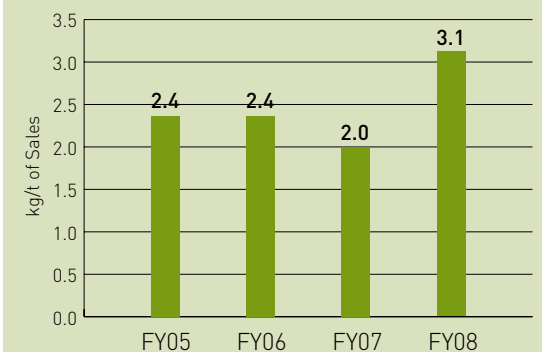
** If the investment is not specifically attributed to either H, S or E, then a defined percentage of the total project investment is allocated according to our internal asset investment rules.*

VOC Emissions

Our VOC emissions increased by 29.2% over our baseline due entirely to the acquired ex-Danisco sites which operate solvent intensive processes. We understand where the increases in VOC emissions have occurred. We will therefore initiate specific projects during FY09 to ensure we realize reductions in line with our 2010 goal.

ENVIRONMENTAL CHARTS

VOC EMISSIONS



** 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.*

CUTTING CARBON EMISSIONS

Since our baseline in FY05, we have achieved a 25.5% (kg/ton sales) reduction in Scope 1 & 2 CO₂ emissions.

We revised our data collection methodology during the year and now report both Scope 1 (direct) and Scope 2 (indirect from purchased electricity) emissions. In previous years, we only reported Scope 1 data. We have also improved the methodology for calculating energy use data and subsequently CO₂ emissions, which has resulted in some figures for earlier years being restated.*

We continue work to improve our energy efficiency and report a 23.8% reduction in energy use (GJ/ton sales) against our baseline. For example:

- We conducted an energy efficiency study at two U.S. sites, which identified \$3.8 million investment opportunities which should save a total of \$1 million a year. We will carry out similar studies at all significant sites in FY09.

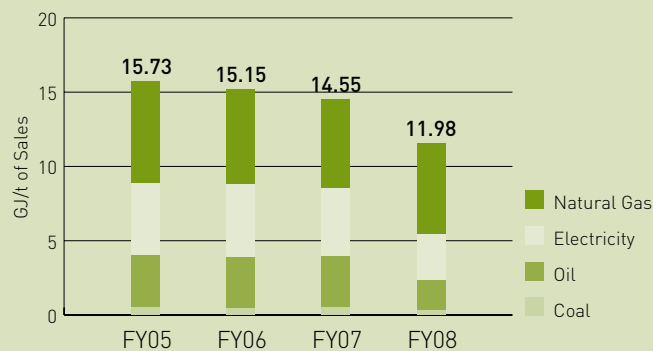
- We began a joint project with the local electricity company to install solar panels at our manufacturing site in Geneva, which will feed electricity into the local grid.
- During the year, we dedicated CHF 5.0 million for further investments to improve energy efficiency and to further extend our use of renewable energy.



Recently installed solar panels on a roof at our Corporate Headquarters in Geneva, Switzerland.

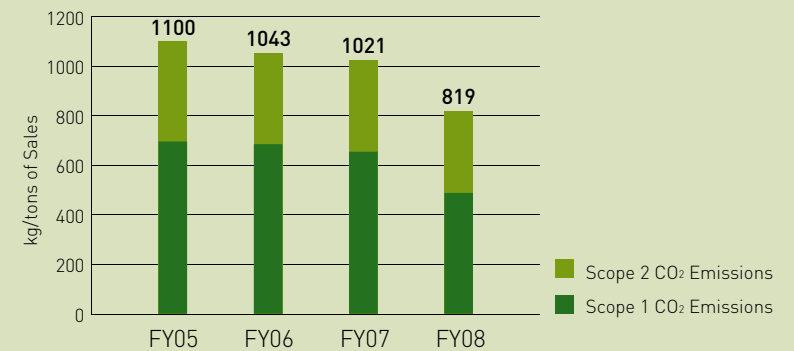
ENVIRONMENTAL CHARTS

ENERGY USE



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

CO₂ EMISSIONS



HOW WE PERFORMED

Managing Water Use

Since our commitment this year to the UN Global Compact - CEO Water Mandate, our focus has been on how we manage total water use (process, cooling & sanitary).

We have identified two projects to investigate ways of minimizing the amount of cleaning water used in manufacturing, hence reducing the quantity for treatment.

While our total water use, as an absolute value, has reduced by 2% in 3 years, the use per m³ of sales has decreased by 11.9% against our baseline (and 15.1% for process water only).

Hazardous Waste

As an absolute value, hazardous waste has increased 9.7% since our baseline year, and decreased 2.8% when indexed to production.

In line with previous years reporting, the generation of this type of waste per ton of sales shows a 30.6% reduction against our baseline.

We continue to explore ways in which we can minimize our environmental impact. For example, we have started a project to convert methanol co-product from a waste to a material we can sell.

Recycled Waste

In FY08, we asked sites to develop specific waste recycling projects. Examples include:

- An initiative at our 3 Geneva sites for collection of office paper, cardboard, batteries, ink and toner cartridges.
- Purchase of cardboard baling equipment and a recycling project at our UK manufacturing site to avoid 24 tons of landfill waste annually.

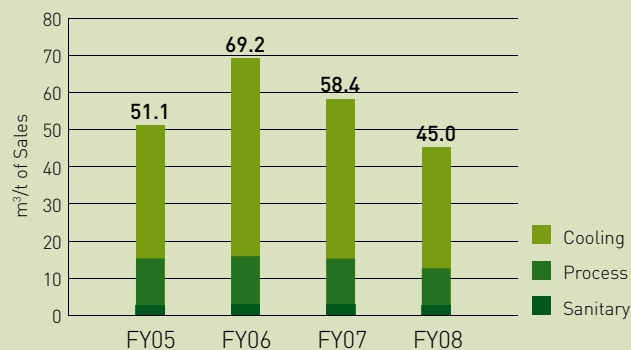
The amount of waste we recycle has now increased by 20.1% against our baseline.

Please note

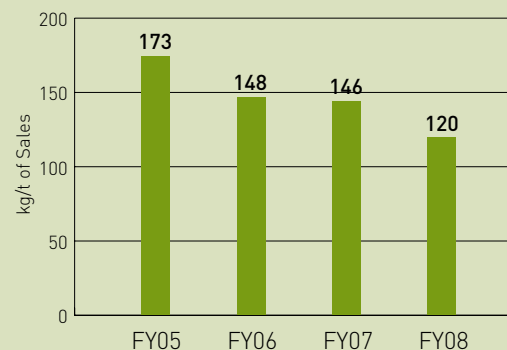
As a result of our acquisition, sales volume has increased over previous years and some improvements in performance have been positively affected by this.

ENVIRONMENTAL CHARTS

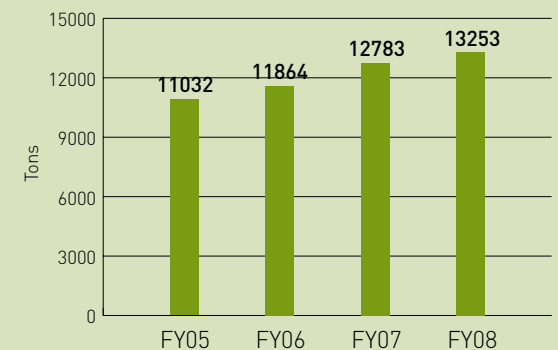
TOTAL WATER USAGE



HAZARDOUS WASTE



RECYCLED WASTE



CASE STUDY

How Tree Planting can Boost Biodiversity and Business

Maintaining the richness and diversity of nature - biodiversity - is vitally important for a healthy environment and the future success of our business.

The Amazon forest's amazing biodiversity is a significant source of undiscovered flavors and fragrances, including extracts that can help reduce sugar, fat or salt additives. But, most of these untapped ingredients will be lost if deforestation continues at the current rate.

Restoring biodiversity through selective tree planting can help preserve the fragile balance in nature. Trees not only fix carbon dioxide, but the correct species can help increase native vegetation coverage which conserves soil and water and provides essential animal habitats.

We are working in partnership to develop a better understanding of plants in the Amazon, while preserving the natural habitat with selective tree planting.

One of our partners is Aquaverde, a non-profit organization whose objective in the Amazon is to promote tree planting and support all initiatives thriving to bring dimension to the interaction between human society and the environment, in the perspective of sustainable development and dignity of people.

Aquaverde introduced us to the Surui tribe who have shared their traditional know-how of local plants with us. In return, we support the education of the Surui people and are in the process of developing an agreement to pay the tribe a royalty based on sales of products that use Amazon ingredients. We funded the planting of 1,000 indigenous trees in the Surui reserve in June 2008.

In northern Brazil, we collaborate with Ipe, a non-profit organization that works to increase the number of trees around Devil's Mountain State Park. With Ipe, we planted 3,000 trees of 100 different species near the Paranapanema River.



We planted an additional 500 trees on our own site in Sao Paulo. This was done by local employees working with our agronomist to create an environment where employees and visitors may learn about native tree species and conservation.

In order to help preserve the Amazon Rain Forest, Firmenich participated in planting more than 4,500 trees, representing over 100 species.



Co

COMMUNITIES

Diverse. Supportive. Supported.

OUR COMMUNITIES

Charitable giving and community support is imbedded in our 113-year history. We believe that profitable companies have a social obligation to invest in their local communities and the world community. In FY08, we contributed to over 200 organizations - providing funds and volunteer time to support local and global non-profit organizations.

The Firmenich Charitable Giving Program has three priority support areas:

- Curing cancer (with an emphasis on breast cancer research)
- Relieving hunger and improving nutrition
- Supporting local communities.

Supporting Cancer Research

Since 1995, we have supported the Breast Cancer Research Foundation (BCRF), whose mission is to prevent breast cancer and find a cure in our lifetime.

In 2008, BCRF awarded over \$34 million in new research grants to 165 scientists from top universities and academic medical centers across the globe. We are proud to be associated with the work of the BCRF.

Public health indicators suggest that by 2020, 70% of all breast cancer cases will be in developing countries. In 2008, BCRF funded a greater num-

ber of international projects than ever before. Some are collaborations between U.S.-based researchers working with significant populations of women with breast cancer and their doctors in other countries. Other projects are initiated locally and range from cutting-edge laboratory research about the molecular basis of breast cancer, to establishing and improving basic standards of care.

Firmenich also funds research at the Louis Pasteur University in France. Our contributions fund a laboratory working on "New Allosteric Effectors of Hemoglobin."

Our employees from several affiliates are involved in fund-raising events for breast cancer research, including the "Race for the Cure" in the U.S. and "Paddling for Cancer" in Switzerland.

Relieving Hunger and Improving Nutrition

Malnutrition remains the world's most serious health problem, according to the World Bank. Lack of essential nutrients is associated with at least half of all child mortality. In low and middle income countries, nearly one-third of the population does not get sufficient micronutrients.

GAIN - the Global Alliance for Improved Nutrition - a foundation funded by the Bill and Melinda Gates Foundation, USAID and CIDA, fights malnutrition to make people and economies healthier and more productive. GAIN stimulates public-private partnerships and provides financial and technical support to get healthier foods and supplements to those people most at risk from malnutrition. Currently, it supports 19 large-scale, market-based projects in 18 countries and implements a range of innovative partnership projects that

are improving the health and lives of more than 600 million people.

The Copenhagen Consensus demonstrated that investments in nutrition, and in particular in reducing deficiencies of vitamins and minerals, are amongst the best development investments. GAIN therefore works with the public and private sector to put affordable, high-quality micronutrient-rich products on the market.

Firmenich is one of nine companies that have been invited to become a member of the GAIN Business Alliance, a global network developed in partnership with the World Bank Institute, which is dedicated to promoting market-based solutions which address the critical issue of malnutrition. The Business Alliance shares innovations and best practice with the goal of implementing new products, distribution mechanisms and marketing methods that deliver better nutrition to vulnerable populations.

| CASE STUDIES

Firmenich has a long history of philanthropic involvement. In Geneva, for example, we have been involved with a number of leading causes for decades, supporting physically and mentally handicapped children and adults, the homeless, women in difficulty, and many other categories of the local population. We provided emergency funds this year following the Wenchuan, China earthquake in May. Last year, we provided an update on projects we support in India and Indonesia. This year, we highlight projects in Thailand and China.

Finding Enough Water to Crop Again

A second annual crop of corn can make all the difference between basic survival and simple adequate living for the villagers living about two hours north of Chiang Mai in Northern Thailand. Lots of water is needed to double crop and the village has no means to irrigate.

As part of our commitment to the CEO Water Mandate, Firmenich has pledged to support projects aimed at tackling the world's water problems.

In 2008, we gave Engineers Without Borders (EWB) a grant enabling volunteers to help in Thailand. EWB is a non-profit organization that partners with communities in the developing world to improve their quality of life through sustainable engineering.

Our grant helped support engineering students from the College of New Jer-

sey while they assessed how EWB could help the village. The students tested the soil, gathered information about the land and water properties, and monitored rainfall patterns.

EWB is planning to construct a sustainable water retention system for the village in 2009. Harvested rainwater will provide drinking water, while water for the corn will be pumped from a nearby river. It is likely that this system could be reproduced in nearby villages with similar needs, bringing the much-needed second crop to harvest.

Building Roads to Combat Poverty

Firmenich provides support to the Xin Tian village, which is situated about 200 kilometers from our plant in Kunming, China. Because of its high altitude, the villagers have difficulty with sustainable agriculture. Firmenich

provided funding in order to build about 10 kilometers of roads so that the village farmers could take their products to market. Additionally, water tanks were needed so that the villagers would have fresh drinking water and proper sanitation. We are in our third year of providing funding for these much-needed projects.

Firmenich employees from within China asked "How can we help?" Through the coordination of the management of our plant in Kunming, our employees donated a computer and 265 books in order to start a library, and warm clothing and shoes for the children of the village.

The enthusiasm and caring with which our employees provided this much-needed assistance is a tribute to our heritage of giving at Firmenich.

Sharing in the Community

In September 2007, we celebrated our third annual Community Day, A Sense of Sharing. The event involved 34 affiliates worldwide (including Geneva). About 1,280 employees from 25 countries volunteered to run 100 projects in the communities surrounding Firmenich plants and offices. Community Day has quickly become a valued tradition at Firmenich. The event not only helps thousands of less privileged people in the communities, but also provides an enriching experience for all our people.



Water resources both in our facilities and in the world is a Firmenich priority.



The CEO Water Mandate



What is the UN Global Compact?

The Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. As the world's largest, global corporate citizenship initiative, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets.

At Firmenich, we feel that being the first company in our industry to participate in the Global Compact demonstrates our leadership role by advancing responsible corporate citizenship. We embrace the ten principles of the Global Compact (detailed on our website) and use these principles together with the Firmenich Fundamentals to guide our actions.

What is the CEO Water Mandate?

The CEO Water Mandate is an initiative supported by a group of committed companies as well as governmental and specialized organizations and deals with the problems of water scarcity and sanitation. It is designed as a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. The signatories of the CEO Water Mandate seek to engage a critical mass of companies from around the world, willing to undertake serious efforts, in partnership with other stakeholders, to address this challenge.

Recognizing the positive role that the international business community can play in addressing the water challenge faced by the world today, our CEO, Patrick Firmenich, was among the first 30 CEO's worldwide to endorse this initiative.

What are the UN Millennium Development Goals?

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a Global Partnership for Development

THIRD PARTY VALIDATIONS

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 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.

The **Firmenich Social Accountability Standard** requires compliance with national laws and respect of the principles of the International Labor Organization conventions and Recommendations and the United Nations Universal Declaration of Human rights. External audit against this standard is conducted by SGS or other auditing firms utilizing an audit approach similar to that of SA8000.



VALIDATION OVERVIEW

ZONE	SITE	SAFETY OHSAS 18001	ENVIRONMENT ISO 14001	QUALITY ISO 9001	FOOD SAFETY ISO 22000	FOOD SAFETY HACCP/FPA/BRC/ AIB	HALAL	KOSHER	FIRMENICH SOCIAL ACCOUNTABILITY
EUROPE	CASTETS, FRANCE		●		NA	NA	NA	●	
	ALESUND, NORWAY		●	●		●	●		
	GENEVA (MEYRIN), SWITZERLAND			●		●	●	●	●
	GENEVA (LA PLAINE), SWITZERLAND							●	
	NORTH YORKSHIRE, UNITED KINGDOM	●		●		●	●	●	
	WELLINGBOROUGH, U.K.		●	●		●	●	●	
	LOUVAIN, BELGIUM			●		●	●	●	
	GRASSE, FRANCE	●	●	●			●	●	
SEILLANS, FRANCE				NA	NA				
NORTH AMERICA	ANAHEIM, CALIFORNIA					●	●	●	
	NEWARK, NEW JERSEY	●	●		NA	NA	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						●	●	
	IBARAKI, JAPAN			●		●			
	SINGAPORE	●	●	●					

NA = Not Applicable due to nature of operation

EXTERNAL VERIFICATION

SGS Société Générale de Surveillance SA's report on sustainability activities in the Firmenich Sustainability Report 2008.

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 2008. 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 2008 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 2008.

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 (2002) 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 our Level 1 protocol for content veracity. 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 fol-

lowing qualifications: IRCA Certified Sustainability Assurance Practitioner, 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 2008 verified is accurate, reliable and provides a fair and balanced representation of Firmenich sustainability activities in the financial year July 2007 to June 2008. The apparent discrepancies in Safety and Environmental statistics between the 2006, 2007, 2008 reports have been noted by the auditors who are satisfied that these actually reflect improvements in data collection and consolidation methods.

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



THE ESSENCE OF SUSTAINABILITY

Firmenich | INSPIRING

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www.firmenich.com

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