



**SUPPLIER EXPECTATION
MANUAL**
—
2021

TABLE OF CONTENTS

I. PURPOSE	03
II. SCOPE	04
III. INTERNATIONAL RECOGNIZED MANAGEMENT SYSTEMS	05
GENERAL REQUIREMENTS	06
01 MANDATORY BUSINESS REQUIREMENTS/POTENTIAL NON-COMPLIANCE	06
02 SUPPLIER EXCELLENCE PROGRAM	07
03 CONFIDENTIAL INFORMATION	07
04 BUSINESS COMPLIANCE	08
ETHICS & HUMAN AND LABOUR RIGHTS	09
01 ETHICS & HUMAN AND LABOUR RIGHTS	09
BUSINESS CONTINUITY MANAGEMENT	10
01 BUSINESS CONTINUITY PLAN	10
TRADE COMPLIANCE REQUIREMENTS	11
01 TRADE COMPLIANCE	11
02 TRADE MANAGEMENT PROGRAMS AND SYSTEMS	12
03 SOURCE OF ORIGIN TRACEABILITY	12
04 DANGEROUS GOODS MANAGEMENT	13
HEALTH & SAFETY REQUIREMENTS	14
01 HEALTH AND SAFETY MANAGEMENT SYSTEM	14
02 ASSESSING AND MANAGING HEALTH SAFETY RISKS	15
03 EMERGENCY MANAGEMENT	15
04 HAZARDS SUBSTANCES MANAGEMENT	16
05 HEALTH AND SAFETY INCIDENT/INJURY	16
QUALITY REQUIREMENTS	17
01 QUALITY MANAGEMENT SYSTEM	17
02 PRODUCT PROTECTION	18
03 TRACEABILITY	18
04 SUPPLIERS MANAGEMENT	19
05 QUALITY INSPECTIONS	19
06 DEVIATIONS	20
07 RAW AND PACKAGING MATERIALS MANAGEMENT	20
ENVIRONMENT REQUIREMENTS	21
01 ENVIRONMENT MANAGEMENT SYSTEM	21
02 PROTECTION OF WATER AND LAND	22
03 WASTE HANDLING AND MINIMIZATION	22
04 PROTECTING THE ATMOSPHERE AND MITIGATING CLIMATE CHANGE	23
05 USE OF ENERGY AND UTILITIES	24
06 ENVIRONMENT INCIDENT	24
REQUIREMENTS FOR NATURAL RAW MATERIALS	25
01 COMPLIANCE	25
02 TRANSPARENCY	26
03 MONITORING AND MITIGATING DIRECT AND/OR INDIRECT IMPACT ON BIODIVERSITY	27
04 COLLECTION/CULTIVATION PRACTICES	28
05 FAIR PRICE THAT CONTRIBUTES TO PROVIDING LIVING WAGES TO PARTICIPANTS IN THE SUPPLY CHAINS	29
06 LAND RIGHTS AND INDIGENOUS PEOPLE'S RIGHTS	29
PALM OIL AND PALM KERNEL OIL BASED RAW MATERIALS	30
01 REPORTING COMPLIANCE	30

PURPOSE



Firmenich has the strong ambition to lead in our industry, so determinant focus is to delight our clients and their consumers.

Firmenich's ambition is to empower all our raw & packaging material suppliers, service providers and third party manufacturers towards responsible sourcing practices.

For that purpose Firmenich wishes to deliver products beyond expectation in terms of Quality, Quantity and Delivery and to produce them in a Responsibly Sourced Supply Chain with respect for biodiversity and people.

Firmenich is committed to ensure the highest standards of product safety and quality for our flavors, perfumes and ingredients, respecting the human rights of the workers and neighboring communities, the people health and safety and the environment in which we are inserted.

Firmenich must procure materials (raw and packaging) and services from reputable suppliers and third party manufacturers who are aligned with Firmenich Code of Ethics and Firmenich Responsible Sourcing Policy ensuring the safety of our customers, consumers, collaborators, environmental and society. Both documents are available at Firmenich Website: Key Documents & Reports

Firmenich believes that working hand in hand with our suppliers and acting accordingly to the same standards, consistently throughout the entire globe, will preserve the commitment to deliver products beyond our clients expectations whilst being produced in a responsibly sourced supply chain. Indeed, being more transparent and relaying information back to Firmenich in the event of challenges, will ensure that we work hand in hand following a continuous improvement approach.

The main objective of this manual is to provide suppliers a clear, easy and instructive guide, containing the minimum requirements, on how to proceed to do business with Firmenich.

We count on all our partners to fully engage with us to achieve the commitments outlined in this manual.

Gianluca Colombo
Chief Procurement Officer

Neil McFarlane
Senior Vice-President, Global QHS&E

II. SCOPE

This Manual supports the current suppliers' life cycle management process and has been designed with the objective to give visibility on Firmenich expectations and engage our suppliers in a continuous improvement journey.

Firmenich Supplier Expectation Manual requirements apply to all;

- Direct Suppliers and Sub-Contractors
- Raw and Packaging Material Co-Manufacturers
- Tollers
- Third-Party Manufacturers

The scope of this Manual includes Palm Oil And Palm Kernel Oil Based Raw Materials specific requirements, when applicable.

Firmenich suppliers are required to read, understand and implement the requirements of this Manual. Evidence of the implementation of said requirements will be collected via a Self-Assessment Questionnaire and/or assessed via the Supplier Audit Program.

While this Manual only applies to our direct business suppliers (Tier1), we expect them to support us in meeting the requirements stated in this manual by applying similar requirements to their own suppliers (Tier 2 and beyond) and to be able to share more information on key supply chains when required.

The Supplier Expectation Manual does not intend to alter or eliminate any requirement that may be included in contracts or product specifications issued by Firmenich.

III. INTERNATIONAL RECOGNIZED MANAGEMENT SYSTEMS

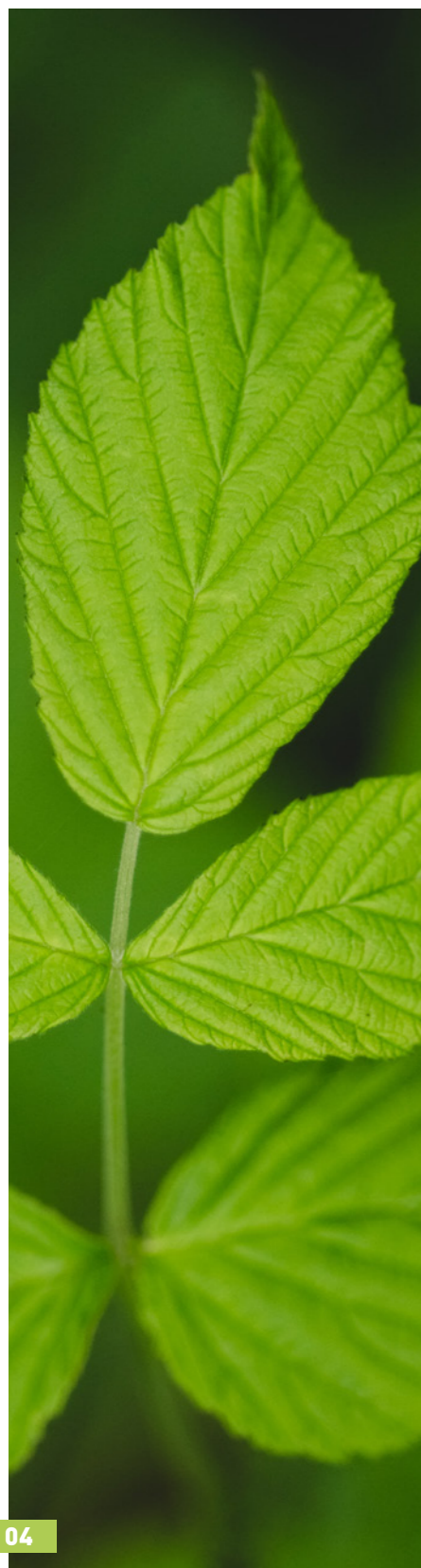
Firmenich recognizes and encourages the suppliers to adopt globally recognized certified management systems, or at minimum adopt internal management systems using the list below as reference.

Herewith you have the list of the most common management systems/ certifications accepted by Firmenich. This list is not exhaustive, so if you have any other management systems/certification in place consult Firmenich contacts and check if those are accepted.

System	Reference
Quality	ISO 9001
Product Safety	GSFI approved schemas (*) / ISO 22001
Good Manufacturing Practices	EFfCI / ISO 22716 (cosmetics and cosmetics ingredients)
Health Safety	OHSAS 18001 / ISO 45001
Environment	ISO 14001 / ISO 50001 / CDP
Ethics & Human and Labor Rights	ECOVADIS / SEDEX – SMETA / EDGE
Business Continuity	ISO 22301 / ISO 27001
Trade Compliance	Authorized Economic Operator
Confidential Information	ISO 27001

(*) FSSC 22000 (preferred), BRC, SQF and IFS

Firmenich considers the proven certifications and uses them for supplier qualification and monitoring.



GENERAL REQUIREMENTS

01

MANDATORY BUSINESS REQUIREMENTS/ POTENTIAL NON-COMPLIANCE

The Supplier must comply with following mandatory business requirements.

Business Mandated Requirements	Potential Non-Compliance
Comply of Code of Ethics (CoE) and Responsible Sourcing Policy	Lack of Acknowledgement/Sign Off Suspect or evidence of breaches of Firmenich Code of Ethics (CoE) and Responsible Sourcing Policy
Comply with local legislation including obtaining all Permits & Licenses required for the business	Supplier not properly permitted or in-process of obtaining a permit
Liability Insurance Coverage - Suppliers with annual business volume above 1 MCHF	No product liability Insurance in place according Firmenich Policy
FDA bioterrorism Act 2003 - Only for supplier that send materials to USA	Not registered for suppliers of product into the USA

02

SUPPLIER EXCELLENCE PROGRAM

The Firmenich Supplier Excellence Program was designed to strength the relationship with our suppliers, based in knowledge and expertise exchange to achieve mutual benefits.

WHAT WE EXPECT

- Participating, when requested, in the Supplier Audit Program hosting audit and actively responding to gap's identified with feasible action plans;
- Participating, when requested, on Firmenich trainings related to Responsible Sourcing, Human Rights, Environment, etc.;
- Proactively communicate (Risk Assessment and Planned Actions) to Firmenich within three working days in cases were the quality or safety of the product provided is under risk;
- Unannounced audits have to be expected by the suppliers during working hours. All security, hygiene and safety measures will be respected before that access is granted;
- Where possible, participate in Supply Chain Security Programs (C-TPAT, AEO). Support Firmenich's participation in these programs by completing the security questionnaires;
- Engaging with Industry recognized Third Party tools like Ecovadis, SEDEX, UEBT and CDP. Firmenich recognizes the information shared trough these platforms and uses them for supplier qualification and monitoring;
- Raising your overall EcoVadis rating, including raising the "Labor & Human Rights" pillar score over the years.

03

CONFIDENTIAL INFORMATION

The supplier must define internal process in order to handle and, when applicable, share sensitive information with Firmenich.

WHAT WE EXPECT

- Implementing internal procedures to manage properly Information Security and Data Privacy (e.g. GDPR);
- Having staff assigned with clearly defined roles and responsibilities to manage Information Security and Data Privacy;
- Implementing internal procedures to handle with information related to products provided including agreed specifications;
- Controlling the access to sensitive information;
- Always use a secure manner when sharing confidential information with Firmenich;
- Providing proper training to employees on Information Security and Data Privacy compliance;
- Informing pro-actively of any changes in products or packaging characteristics;
- Informing pro-actively in case of cyber-attack that could impact Firmenich operations / data;
- Implementing internal routines to properly handle with information security aspects including, when applicable: labels, specifications, processes data, etc.

04

BUSINESS COMPLIANCE

The supplier must have adequate tools and processes in place to ensure full compliance with regulations applicable at manufacture, storage and delivery locations.

WHAT WE EXPECT

- Complying with all relevant laws in the countries in which operates, including but not restricted to Human Rights, Health and Safety, Quality, Food Protection, Regulatory Affairs, Environment, Trade Compliance Management, Business Ethics, Operational Licenses, etc.;
- Defining internal routines for continuously assess updates and new legislation;
- Taking all proper measures to be kept compliant with the applicable regulations;
- Complying with REACH (1907/2006/EC) when applicable;
- Complying with FDA / FSMA when operating in / to USA market;
- Communicating any serious non-conformance identified during external audits and regulatory agencies inspections that could affect materials supplied to Firmenich;
- Complying with all applicable laws, including all laws regarding international trade, embargoes, sanctions and export control as well as national regulations related to operations.



ETHICS & HUMAN AND LABOUR RIGHTS

01

ETHICS & HUMAN AND LABOUR RIGHTS

The supplier must comply with Business Ethics legislations in order to ensure they are acting with integrity while having a business relationship with Firmenich. The supplier must also comply with all relevant laws in the countries in which they operate, seeking ways to honor the principles of internationally recognized Human Rights Standards (e.g. International Bill of Rights, International Labour Organization's Declaration on the Fundamental Principles and Rights at Work, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, UN Global Compact's Ten Principles).

WHAT WE EXPECT

- Formally commit and adhere to our Code of Ethics and Human Rights Policy;
- Establish their own Code of Ethics, Human Rights and related Business Ethics policies;
- Not paying or receiving any bribes, kickbacks and facilitation payments and complying with the Firmenich Corporate Anticorruption Policy;
- Improving working conditions in their own value chains, and seek similar commitments of their own suppliers;
- Assessing and mitigating any human rights risks in their own value chains related to:
 - Freedom of association and collective bargaining
 - Wages and working hours including engagement on living wage
 - Forced labour
 - Child labour
 - Occupational health & safety including mental health
 - Diversity & inclusion including harassment and discrimination
- You can check Firmenich Human Rights Policy for deeper details available at [Firmenich website: Key Documents & Reports](#)
- Avoiding dealing with Firmenich employees who have conflicts of interest in relations to a specific supplier;
- Not engaging in private monopolies, or any other acts which may prevent free and fair competition;
- Adhere to our Conflict Minerals Statement, when applicable;
- Gradually implementing advanced practices such as having ethics programs in place, providing a grievance mechanism to capture and report Business Ethics and Human Rights issues;
- Proactively certifying social accountability aspects included in Internationally Recognized Management Systems (e.g. SMETA, EDGE, etc.);
- Complying with all applicable laws (e.g. financial fraud, etc.).

BUSINESS CONTINUITY MANAGEMENT

01

BUSINESS CONTINUITY PLAN

The supplier must develop, implement and monitor a Business Continuity Plan in order to have alternative ways to supply Firmenich avoiding or minimizing the impacts of shortage.

WHAT WE EXPECT

- Having a Policy and / or process in place for activation of the Business Continuity Plan in order to react promptly;
- Having staff assigned with clearly defined roles and responsibilities;
- Performing a Risk Analysis of Suppliers, Materials, Processes and Distribution channels to identify the potential critical scenarios;
- Developing counter measures for the high risks that are identified;
- Performing frequent drills, trainings, reviews and updates of the Business Continuity plan;
- Performing simulations of identified scenarios in order to evaluate the organization readiness;
- Sharing with Firmenich alternative production plants in case of disruption; detailing capacity levels and expected times to recover;
- Having a process in place to inform Firmenich in case of any operation disruption that potentially could affect its business;
- Having liability insurance, when applicable;
- Being fully compliant with customs and trade regulations.

TRADE COMPLIANCE REQUIREMENTS

01

TRADE COMPLIANCE

The supplier must have adequate tools and processes in place for ensuring full compliance with regulations applicable to sanctioned countries, drug precursors, dual-use (Chemical Weapons Convention) and CITES (Convention on the International Trade in Endangered Species of Wild Fauna and Flora), as well as with Harmonized System of Classification of Goods by the World Customs Organization (WCO).

WHAT WE EXPECT

- Keeping updated with the applicable regulations;
- Having procedures and IT system in place for managing and checking product status against above mentioned regulations.

02

TRADE MANAGEMENT PROGRAMS & SYSTEMS

SUPPLY CHAIN SECURITY PROGRAMS

The supplier must provide evidence of participation in Customs Trade Partnership Against Terrorism (C-TPAT) or Authorized Economic Operator (AEO) certification, when certified.

WHAT WE EXPECT

- Providing authorization number;
- In case the supplier is not a member of these programs, the Supplier Questionnaire sent by Firmenich must be completed and provide evidence of existing measures for supply chain security procedures:

INTERNATIONAL TRADE REGULATIONS

- Providing evidence of them using an IT system capable of managing trade-related import and export licenses;
- Providing evidence of best practices in using Harmonized System of Classification of Goods, following the World Customs Organization (WCO) guidelines.
- Complying with regulations concerning economic sanctions adopted by United States, European Union and Switzerland.

03

SOURCE OF ORIGIN TRACEABILITY

In order to assure transparency and prompt responsiveness in case it's necessary, the supplier must guarantee traceability through the supply chain.

WHAT WE EXPECT

- Providing evidence of using an IT system able to track country of origin traceability;
- Being able to provide source of origin statements/certificates when required (e.g. LTVD'S, Preferential Origin documentation, Conflict Minerals Statement, etc.).

04

DANGEROUS GOODS MANAGEMENT

The supplier must provide evidence of existing measures for Dangerous Goods (DG) international transportation laws/regulations, when applicable.

WHAT WE EXPECT

- Using DG compliant packaging to supply and export DG raw materials;
- Providing promptly "UN Packaging Type Approval Certificate" for your DG shipment;
- Complying with regulations concerning Dangerous Goods Management.





HEALTH & SAFETY REQUIREMENTS

01

HEALTH & SAFETY MANAGEMENT SYSTEM

The supplier must establish and implement a health and safety management system that ensures health and safety continuous improvement performance.

WHAT WE EXPECT

- Establishing a health and safety committee on which workers are represented;
- Capturing, investigating and taking corrective and preventive actions in case of health and safety incidents;
- Controlling documents and records in order to maintain sensitive information properly stored and promptly available when necessary;
- Measuring, monitoring and continuously improving health and safety performance;
- Implementing documented procedures for a Permit to Work system;
- Implementing a system to identify, select, provide and monitor the usage of appropriated Personal Protective Equipment (PPE) according to job assessed risks;
- Ensuring that all visitors are properly communicate of the applicable rules and behaviors prior to access the facilities;
- Ensuring that visitors are properly identified, monitored and supervised;
- Proactively certifying the Health and Safety Management System (e.g. OHSAS 18001 and ISO 45001).

02

ASSESSING & MANAGING HEALTH SAFETY RISKS

The supplier must establish and use risk assessment procedures, to identify the key health and safety hazards and levels of risk associated with key activities, products, work processes, facilities, plant, equipment, and services.

WHAT WE EXPECT

- Assessing the risks on a regular basis taking into account new and emerging risks;
- Managing risks to improve operational health and safety performance and effectiveness.

03

EMERGENCY MANAGEMENT

The supplier must implement effective response systems in order to be ready to promptly answer to emergencies, including but not restricted to: Fire and Explosions, Law Enforcements, Natural Disasters, Pandemics, etc.

WHAT WE EXPECT

- Identifying equipment, actions, training, personnel and communications necessary to protect the workforce, equipment, facilities in the event of an emergency or security threat or incident;
- Establishing documented emergency management plans and procedures and ensuring are regularly reviewed and updated especially after drills, tests, mock trials and emergency events;
- Performing fire and explosion hazards risk assessment conducted by competent parties in accordance with applicable regulatory standards;
- Providing appropriate training in emergency response including conducting regular drills and exercises;
- Reporting and communicating any emergency situation, security threats or incident, when impacting Firmenich business;
- Ensuring that detailed incident investigations and root cause analysis are undertaken after emergency events and near misses.



04

HAZARDS SUBSTANCES MANAGEMENT

The supplier must implement a hazards substances management process that includes communication to employees regarding hazardous substances handling.

WHAT WE EXPECT

- Maintaining an updated list of all the hazardous chemical substances;
- Creating and maintaining appropriated communication at site level for hazardous chemical substances;
- Ensuring access to Material Safety Data Sheets (MSDS) for each chemical used in the most appropriated language(s) all workers can understand;
- Ensuring that all hazardous materials are properly stored, handled and labeled;
- Ensuring all workers who handle hazardous materials receive an specific annual health check.

05

HEALTH & SAFETY INCIDENT / INJURY

Suppliers must establish procedures for the reporting, investigation, and evaluation of all H&S injuries/illnesses/incidents, and for the implementation, monitoring and follow up of corrective, preventive and mitigating actions.

WHAT WE EXPECT

- Ensuring that procedures are established and implemented for the reporting investigation and evaluation of all H&S injuries/illnesses/incidents, and for the timely implementation, monitoring and follow up of corrective, preventive and mitigating actions;
- Ensuring that all injuries/illnesses/incidents, non-conformances and near misses are reported;
- Ensuring that investigations are documented in a proper system;



QUALITY REQUIREMENTS

01

QUALITY MANAGEMENT SYSTEM

The supplier must establish and implement a quality management system that ensures the consistency and quality continuous improvement of products and services provided to Firmenich.

As part of a robust Quality system implementation the supplier must monitor and improve the quality level of products and services and complying with all quality requirements clearly stated in Specifications, Contracts and Good Practices, as applicable.

WHAT WE EXPECT

- Assessing and Managing Risks associated to quality and product protection;
- Measuring, monitoring and continuously improving the customer satisfaction level, providing clear investigation in case of customer complaints;
- Implementing routines that guarantee the compliance with the applicable Good Practices (GMP, storage, logistic, transport, laboratory, etc.);
- Complying and sharing the products storage and transportation rules;
- Controlling documents and records in order to maintain sensitive information properly stored and promptly available when necessary;
- Developing, implementing and monitoring a quality and product protection training program based on individual functions competences needs;
- Proactively certifying the Quality and product protection management systems (e.g. ISO 9001, ISO 22716, FSSC22000 and other GFSI approved schemes);
- All raw material containers sent to Firmenich must be appropriately sealed, and have SITESS (Supplier Identifiable, Tamper Evident Safety Seals) matching with the documentation provided.

02

PRODUCT PROTECTION

The supplier must define a Risk-Based Control System in order to keep the products provided to Firmenich safe for use, preventing unintentional and intentional adulteration. This system must be reviewed (verification and validation) at least on a yearly basis and under major changes.

WHAT WE EXPECT

- Defining a HACCP (or similar Risk Analysis) in order to avoid unintentional adulteration of the products;
- Identifying and controlling according the Physical, Chemical (including allergens, phthalates/ heavy metals/ bisphenol A, pesticides and solvents), Radiological and Microbiological Hazards identified in the previous study;
- When appropriate, establishing environmental controls (microbiological and allergens), especially in the more sensitive areas;
- When appropriate, establishing physical contamination prevention measures such as Magnets, Metal Detectors, X-Rays Detectors, Filters, Screens and Sieves;
- Controlling the level of perfumes allergens in raw materials and finished products, when applicable;
- Implementing programs to avoid intentional adulteration economically or ideologically motivated (reference PAS 96).

03

TRACEABILITY

In order to ensure transparency and prompt responsiveness, the supplier must guarantee traceability throughout the whole supply chain.

WHAT WE EXPECT

- Implementing a traceability system in order to guarantee the consistency and agility necessary to obtain the information related to raw-materials, packaging materials, intermediate, processing aids, recycling and reworking parts, and final products within four hours;
- Implementing internal routines to guarantee the proper identification for the products supplied including Good Labeling Practices;
- Performing Mock Recall exercises on yearly basis, within four working hours in order to evaluate the efficiency of the traceability system and reconciliation of quantities as evidence;
- Ensuring that applicable statutory, regulatory and customer requirements are identified;
- Retaining all documented information (original or electronic copies) as evidence of the traceability system during the shelf life of delivered product.

04

SUPPLIERS MANAGEMENT

The supplier must manage up-stream suppliers in order to identify, control and reduce the risks in materials and services acquired.

WHAT WE EXPECT

- Defining a process, based on select criteria to identify the up-stream suppliers whose activities impact in final product quality / safety, etc;
- Defining a holistic supplier performance management system taking into consideration, as example, the following KPI's: Costs, OTIF, Quality, Non-Conformances, Responsible Sourcing, etc.;
- Defining a supplier audit program based on risk associated to performance and business impact.

05

QUALITY INSPECTIONS

The supplier must define a quality control plan in order to systematically evaluate the conformance of incoming materials, materials in process and finished goods.

WHAT WE EXPECT

- Defining product release routines based on agreed specifications;
- Defining clearly acceptance range of processes and intermediate materials;
- Defining proper sampling and inspection plans for raw & packaging materials, intermediate materials and finished goods;
- Defining analytical methods and calibration program for the laboratories and other inspection routines;
- Performing analytical, microbiological (micro-sensitive materials) and/or sensory analysis for each finished goods batch shipped, according to agreed specification;
- Shipping materials properly document with Certificates of Analysis and any other specific applicable certificates.

06

DEVIATIONS

The supplier must define internal procedures to handle with deviations in process or product parameters / specifications.

WHAT WE EXPECT

- Monitoring any quality deviations (in process and in finished goods);
- Implementing controls in order to reestablish the normal condition when a deviation is detected;
- Identifying and properly handling with potential non-conform products generated;
- Creating procedures for handling with re-processing, re-work and disposal of non-conform products;
- Stablishing methodologies to perform root cause analysis preventing reoccurrence;
- Defining routines to systematically identify trends and patterns in deviations.

07

RAW & PACKAGING MATERIALS MANAGEMENT

Supplier must stablish processes in order to guarantee the quality of the raw and packaging materials.

WHAT WE EXPECT

- Defining proper specification of the raw materials and packaging materials;
- Selecting the raw materials and packaging materials suppliers based in scientific criteria;
- Including packaging material requirements related to compatibility and migration tests;
- Avoiding purchasing for unauthorized suppliers;
- Properly handling emergency acquisitions when the materials from approved suppliers are not available;
- Defining the receiving routines in order to perform all the necessary checks before acceptance;
- Properly accessing the materials prior to use in order to identify hazards related do product quality and/ or safety;
- Keeping the material under appropriate environmental conditions, according to the requirement for each material.



ENVIRONMENT REQUIREMENTS

01

ENVIRONMENT MANAGEMENT SYSTEM

The supplier must establish and implement an environment management system that ensures performance continuous improvement.

WHAT WE EXPECT

- Assessing and Managing Risks associated to environmental impact;
- Capturing, investigating and taking corrective and preventive actions in case of environment incidents;
- Controlling documents and records in order to maintain sensitive information properly stored and promptly available when necessary;
- Measuring, monitoring and continuously improving environment performance;
- Proactively certifying the Environment Management System (e.g. ISO 14001, ISO 50001, CDP).

02

PROTECTION OF WATER & LAND

The supplier must properly identify and manage the sources of water and land under his responsibility.

WHAT WE EXPECT

- The supplier shall properly identify and properly manage the sources of water and land under his responsibility;
- Identifying and documenting all existing sources (site activities) that have the potential to impact land, surface water or groundwater sources;
- Complying with all environmental law regulations, permits and licenses;
- Implementing a management system to ensure the risk from each source is managed to the lowest level that is economically justifiable and that each source is managed to support all established company goals.

03

WASTE HANDLING & MINIMIZATION

The Supplier must assure that wastes are managed to comply with all environmental laws, regulations, permits and licenses.

WHAT WE EXPECT

- Understand where and how wastes are generated and managed on-site;
- Assure that wastes are managed to comply with all environmental laws, regulations, permits and licenses;
- Periodically reviewing waste generating activities with the aim to minimize amount and toxicity;
- Set, monitor and report on waste targets to reduce generation per unit of production;
- Implementing an approval process for treatment, recycling and disposal facilities;
- Understanding where and how wastes are treated and disposed of after leaving the facility;
- Proactively advancing in the following aspects:
 - Set, monitor and report on zero waste to landfill target;
 - Set, monitor and report on waste targets to dispose of or recycle waste with the least environmental impact (e.g. burned for energy recovery instead of landfill);
 - Publicly report on waste generation and progress toward set targets;
 - Have a certified an Environmental Management System according to ISO 14001 Standard.

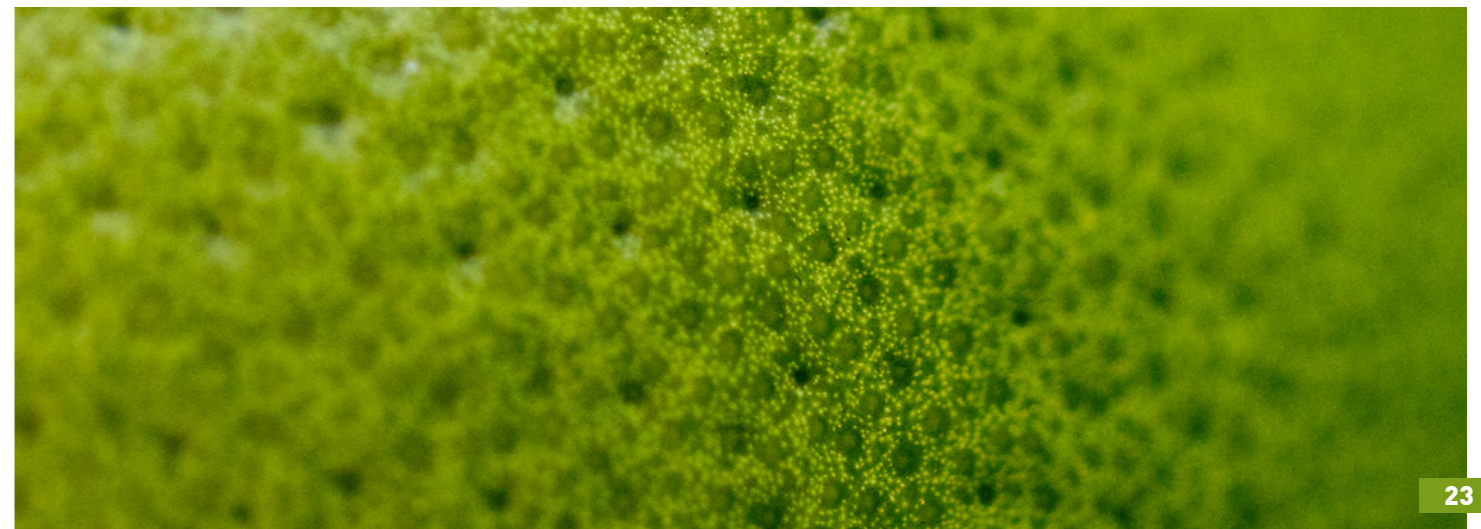
04

PROTECTING THE ATMOSPHERE & MITIGATING CLIMATE CHANGE

The supplier must manage all existing emissions & emission sources that can potentially impact the atmosphere or community.

WHAT WE EXPECT

- Ensuring an assessment of each source is undertaken to determine the likely impact of the release or potential release;
- Complying with all applicable environmental laws, regulations permits and licenses;
- Ensuring emissions from each source are managed to support all established company goals, and as necessary to minimize environmental and health risks;
- Evaluating and minimizing the impact of all new projects on the atmosphere, and encourage alternatives that minimize this impact:
 - Quantifying Scope 1 & 2 greenhouse gases (GHG) emissions;
 - Setting, monitoring and reporting on environmental targets to reduce Scope 1 & 2 greenhouse gases (GHG) emissions;
- If applicable, setting targets for non-GHG emissions, such as volatile organic compounds (VOC);
 - Proactively advancing in the following aspects:
 - Quantifying indirect (Scope 3) emissions;
 - Setting, monitoring and reporting on environmental targets to reduce Scope 3 greenhouse gases (GHG) emissions;
 - Setting and having approved Science Based Targets for GHG emissions;
 - Publishing report GHG emissions and progress toward GHG emissions targets;
 - Responding to third party disclosures, such as CDP Climate Change.



05

USE OF ENERGY & UTILITIES

The supplier must strive to always use Energy and Utilities wisely and effectively with the lowest impact on the environment and community.

WHAT WE EXPECT

- Understanding where and how energy and utilities are used and managed on-site;
- Quantify site energy and utility usage;
- Conducting assessments to determine the likely impact of the energy and utility usage associated with different site activities;
- Periodically review operations to minimize the amounts of energy and utilities used. Actively seeking out energy & utility efficiency improvements and install as appropriate;
- Set, monitor and report on energy and water targets to reduce consumption per unit of production;
- Moving towards renewable and other alternative energy and utility sources, where these can reduce environmental or community impact;
- Evaluate new or modified operations and equipment to maximize energy and utility efficiency
- Proactively advancing in the following aspects:
 - Commit to RE100;
 - Conduct an annual water risk assessment utilizing WRI Aqueduct and/or WWF Water Risk Filter;
 - Publicly report on energy and water use and progress toward set targets;
 - Respond to third party disclosures, such as CDP Water Security and report energy through CDP Climate Change;
 - Have a certified an Energy Management System according to ISO 50001 Standard and a certified an Environmental Management System according to ISO 14001 Standard.

06

ENVIRONMENT INCIDENT

The supplier must establish procedures for the management of all Environment incidents/near missing.

WHAT WE EXPECT

- Establish procedures for the reporting, investigation, and evaluation of all Environment incidents/near missies, and for the implementation, monitoring and follow up of corrective, preventive and mitigating actions;
- Ensure the timely implementation, monitoring and follow up of corrective, preventive and mitigating actions;
- Comply with all environmental law regulations, permits and licenses. This includes reporting of environmental incidents when required by the aforementioned.
- Ensure that investigations, actions and reporting are documented.

REQUIREMENTS FOR NATURAL RAW MATERIALS

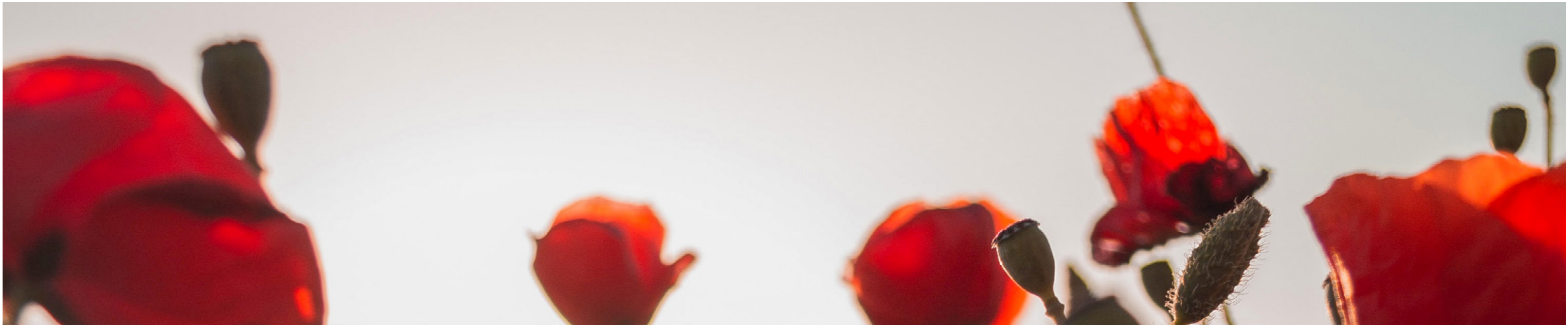
01

COMPLIANCE

The supplier must ensure compliance with all applicable laws and international standards related to the use and trade of natural ingredients; including and not limited to CITES permits, collection permit for wild species, Access and Benefit Sharing regulations, banned agrochemicals listed under Stockholm Convention on Persistent Organic Pollutants (POPs).

WHAT WE EXPECT

- Identifying the relevant laws and regulations covering the following topics: Biodiversity conservation, Sustainable use of biodiversity (incl. potential collection or agricultural exploitation authorization), Fair and equitable benefit sharing, Land tenure rights, Rights of indigenous peoples and local communities;
- Showing no evidence of non-compliance with applicable local laws;
- Ensuring that from 1 January 2014 onwards, intact ecosystems have not been destroyed through conversion or deforestation due to manufacturing and/or sourcing activities;
- In cultivation and collection sites, sourcing practices not using agrochemicals, at minimum but not limited to the ones:
 - Listed in Annex A or B of the Stockholm Convention on Persistent Organic Pollutants (POP) and recommended for inclusion in Annex A or B of the Stockholm Convention by the POPs Review Committee (POPRC);
 - Listed in Annex III of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC) or recommended for inclusion in Annex III by the Chemical Review Committee (CRC);



02

TRANSPARENCY

The supplier must track and disclose the specific origins and areas where the raw materials are produced, cultivated and/or collected. The supplier is expected to share and contribute to Firmenich knowledge of the supply chains with regards to the local context, productivity, broad supply chain organization, etc.

WHAT WE EXPECT

- Identifying the country of cultivation or wild collection at all stages of the supply chain;
- Disclosing these geographical origins to Firmenich Purchasing and Regulatory teams;
- Maintaining Geographical origin certificate to be sent per batch delivered to Firmenich;
- Striving to go deeper and identify regions, farmers or pickers, cultivation or wild collection sites, production volumes, and prices paid to local producers;
- Striving to increase transparency and oversight of human rights and environmental issues in the supplier's own value chain by creating specific policies on human rights issues like working conditions, child labour and forced labor.

03

MONITORING & MITIGATING DIRECT AND/OR INDIRECT IMPACT ON BIODIVERSITY

The supplier must monitor and mitigate indirect and direct impacts on biodiversity:

- 1 Controlling its agricultural land, and to proactively assess and mitigate their environmental impact regarding water consumption, wastewater treatment, waste, chemical handling and storage, biodiversity loss, GMO's use, deforestation, and soil regeneration;
- 2 At the level of supplier's smallholders, creating awareness on their environmental impact (such as deforestation and biodiversity loss), set up training programs, and look for innovative solutions to mitigate any negative impact.

WHAT WE EXPECT

- Setting targets and sourcing practices to optimize energy and waste management and reduce pollution in cultivation and collection sites;
- Promoting/implementing waste management procedures to avoid harmful emissions to air, soil and water that may negatively impact the health, safety and well-being of workers and nearby communities;
- Identifying threats to biodiversity in the sourcing areas. (e.g. via studies, local knowledge or risk assessment);
- Wild collection and cultivation practices assuring sustainable use of sourced species and preventing or mitigating negative impact on other species;
- Promoting climate resilience via cultivation and wild collection practices;
- Conserving or improving soil and water conditions in cultivation and wild collection sites;
- Adopting practices to prevent and mitigate the negative impact of the use of agrochemicals.

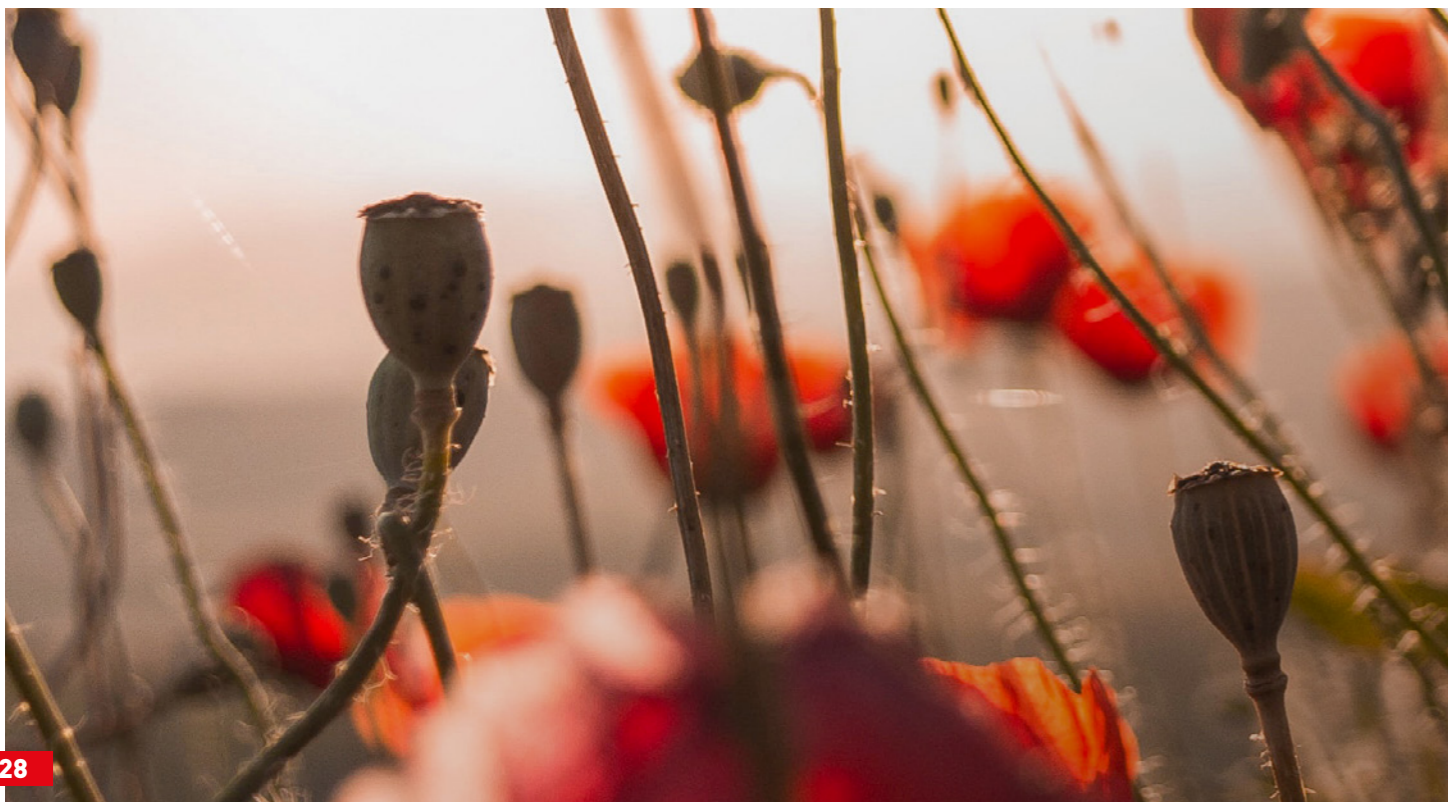
04

COLLECTION / CULTIVATION PRACTICES

The supplier must promote and gradually implement sustainable agricultural and collection practices that contribute to climate resilience and regeneration of ecosystems (soil health, species diversity, water health, etc.)

WHAT WE EXPECT

- Assessing the ecosystem where the raw material is sourced in terms of sustainable use and biodiversity conservation;
- Identifying good and sustainable agriculture and collection practices in the sourcing areas;
- Promoting and implementing regenerative agricultural principles in the sourcing areas and to smallholders:
 - Support the livelihoods of farmers;
 - Leverage the power of plants and agricultural practices to keep carbon in the soil (carbon sequestration);
 - Enhance farm biodiversity;
 - Enhance the resilience of crops while reducing excessive or inappropriate synthetic agricultural-chemicals inputs;
 - And increase the capacity of soils to hold water.



05

FAIR PRICE THAT CONTRIBUTES TO PROVIDING LIVING WAGES TO PARTICIPANTS IN THE SUPPLY CHAINS

The supplier must gradually ensure a better living income for smallholders by setting a price that contributes to living income to participants in the supply chains.

WHAT WE EXPECT

- Establishing the prices on balanced negotiation and dialogue, fair cost calculations, and competitiveness;
- Periodically reviewing prices to reflect changes in cost of living and costs associated to the progressive improvement measures required throughout these practices;
- Offering prices that contribute to farmers/producers' living income and reflecting seasonality of work;
- Implementing policies, due diligence systems and monitoring of own operations and suppliers' operations to protect workers' rights, including: ensuring that they do not employ children who are underage [Refer to Firmenich Policy on Human Rights] or in conditions that are hazardous to their health and well-being; protecting and promoting the rights of workers to form unions and to collectively bargain; ensuring and promoting ethical recruitment practices; and ensuring that all workers freely consent to work.

06

LAND RIGHTS & INDIGENOUS PEOPLE'S RIGHTS

The supplier have to respect land rights and indigenous people rights, when applicable.

WHAT WE EXPECT

- Addressing disputes over ownership or use of land and natural resources;
- Respecting the rights and traditional practices of indigenous peoples and local communities;
- Engaging in dialogue with indigenous communities and respecting their right to Free, Prior, and Informed Consent before conducting any business activities that may impact their traditionally held land and natural resources, their source of livelihoods or their cultural heritage.

PALM OIL AND PALM KERNEL OIL BASED RAW MATERIALS

The supplier must commit to the **Firmenich Sustainable Palm Oil Statement**.

01

REPORTING COMPLIANCE

The supplier must continuously report compliance on their supply chains regarding, but not limited to:

- Protection of peat areas, regardless of the depth;
- Compliance with local laws and regulations;
- Protection of high-carbon-value area and to avoid deforestation;
- Respect of Human Rights and Free, Prior and Informed Consent of local and indigenous communities.



CONTACT

Supplier Expectation Manual
Firmenich.Purchasing.Information@firmenich.com

© Firmenich 2021

