

Firminich

Impact Valuation Study

Johanna Levy – August 30 2016

ABOUT FIRMENICH

COMPANY FOUNDED

1895

in Geneva, Switzerland

GLOBAL TURNOVER

3bn

Swiss Francs (June 2015)

AVERAGE GROWTH PER YEAR

7%

Since 1989

GLOBAL PRESENCE

100+

markets

FACILITIES

63

countries

MANUFACTURING

28

sites

CLIENTS

2000+

around the world

INVESTED IN R&D

10%

of the annual turnover

PATENTS PRESENTLY IN FORCE

2000+

R&D AWARDS

35

including Nobel Prize in chemistry

IMPACT THE LIVES OF

1mio

children through improved
hygiene & nutrition

COMMUNITY DAY

1964

participants in 35 projects

OF EMPLOYEES

6500

INGREDIENTS

#1

Portfolio of Naturals & Molecules

PERFUMERY

#1

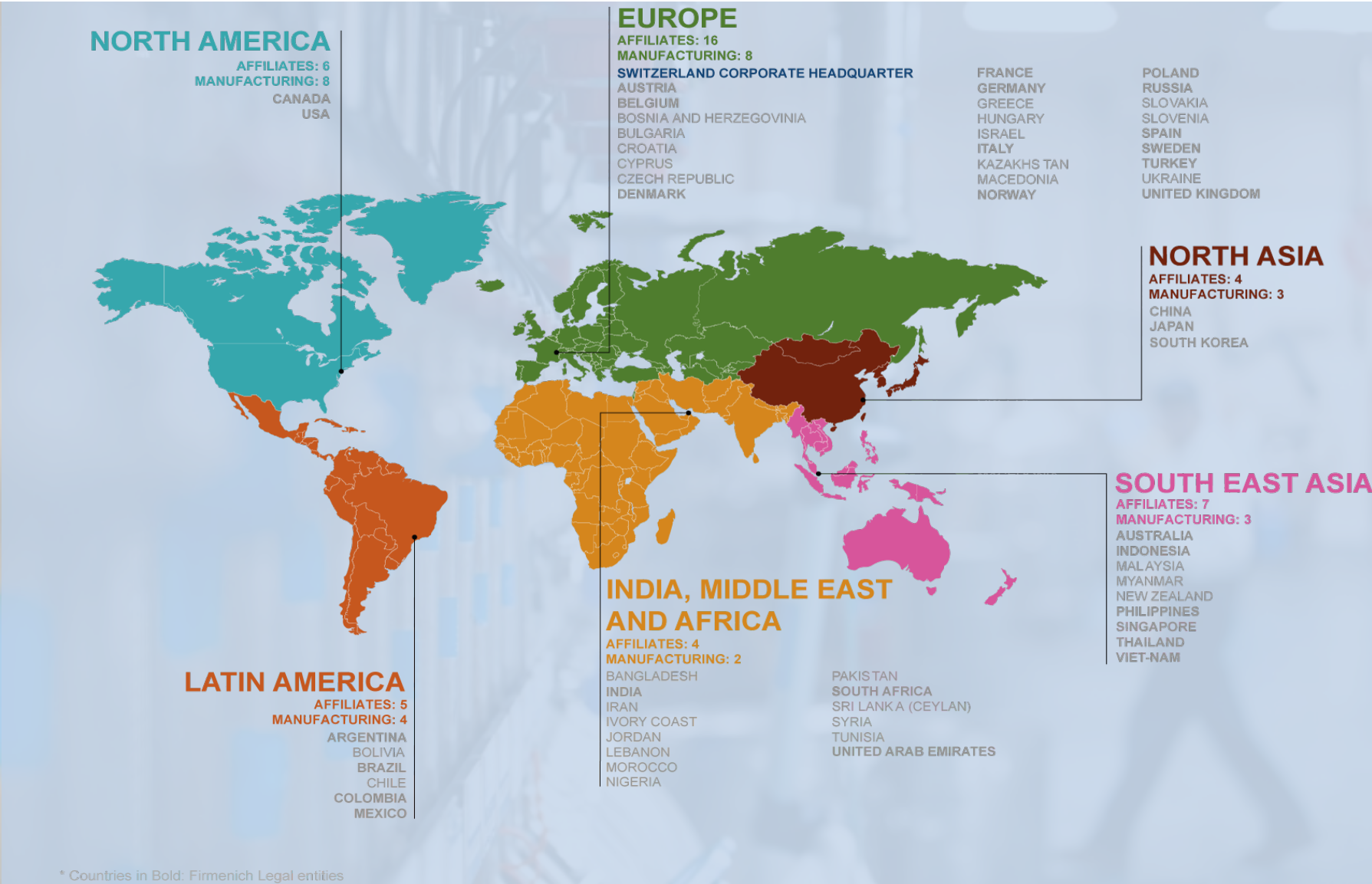
in Fine Fragrance

FLAVORS

#1

In citrus, vanilla & seafood

ABOUT FIRMENICH

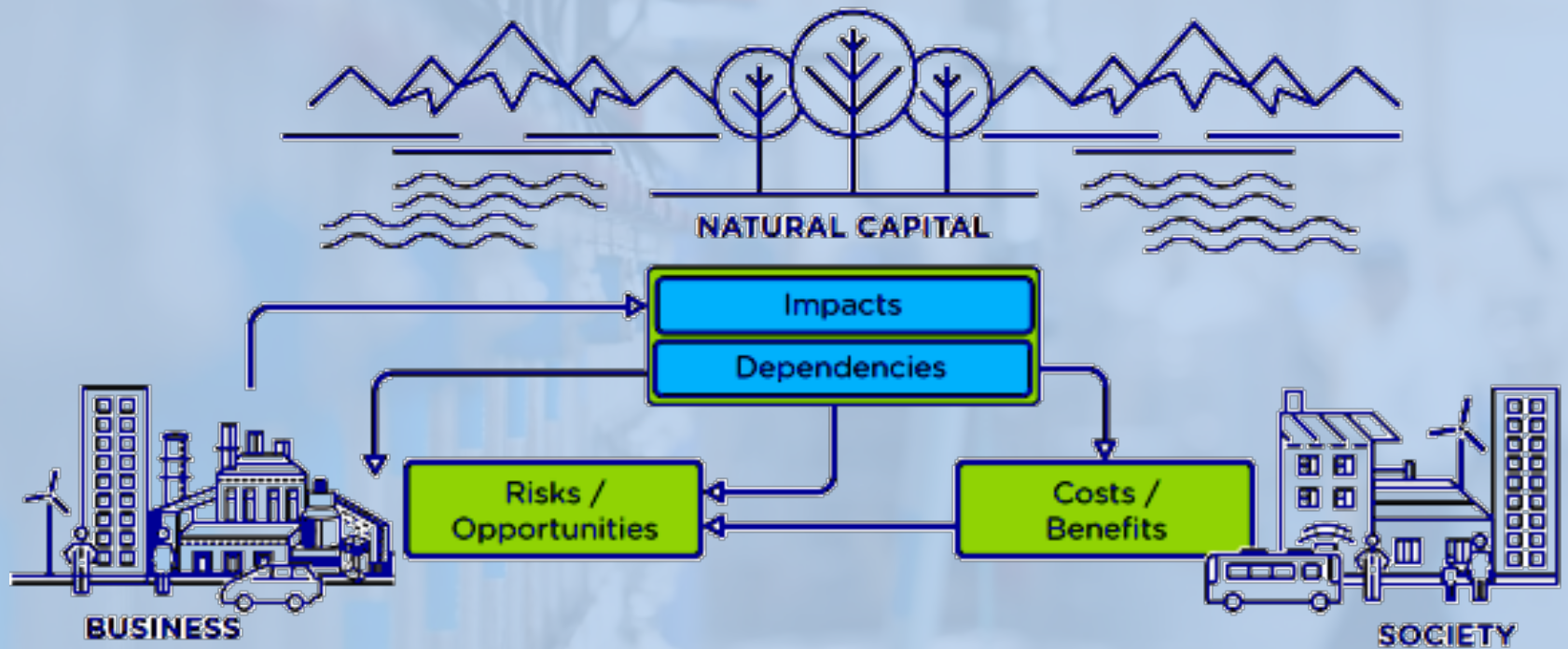


* Countries in Bold: Firmenich Legal entities

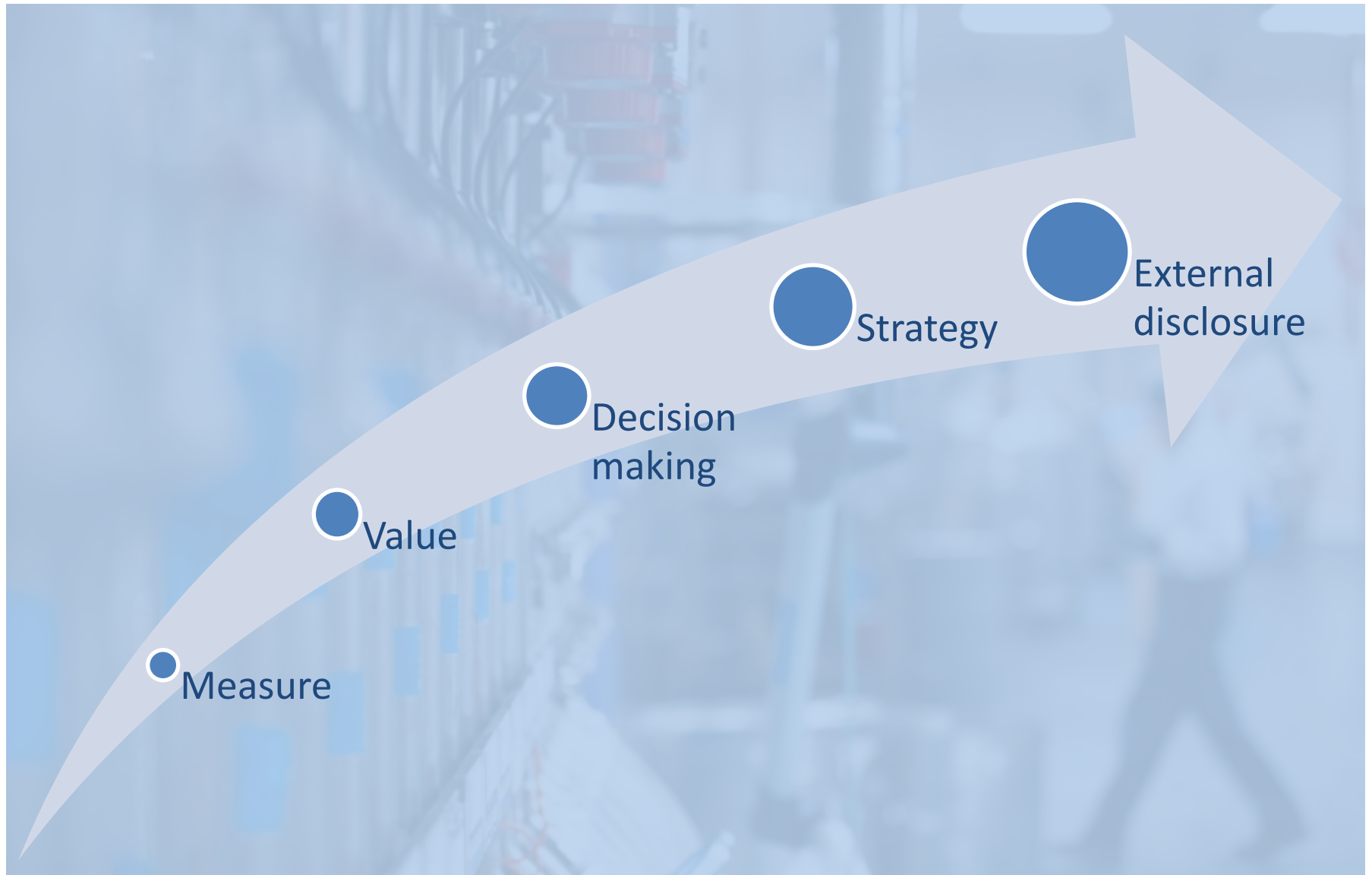
ABOUT FIRMENICH



IMPACT VALUATION STUDY: BACKGROUND



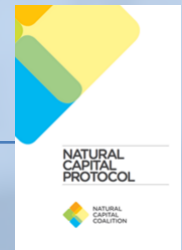
IMPACT VALUATION STUDY: GOALS



IMPACT VALUATION STUDY: GLOBAL TREND

Visible trend towards environmental and social valuation

The **SROI** Network
Accounting for Value



IMPACT VALUATION STUDY: METHOD

Activities assessed in this pilot project

SOCIAL

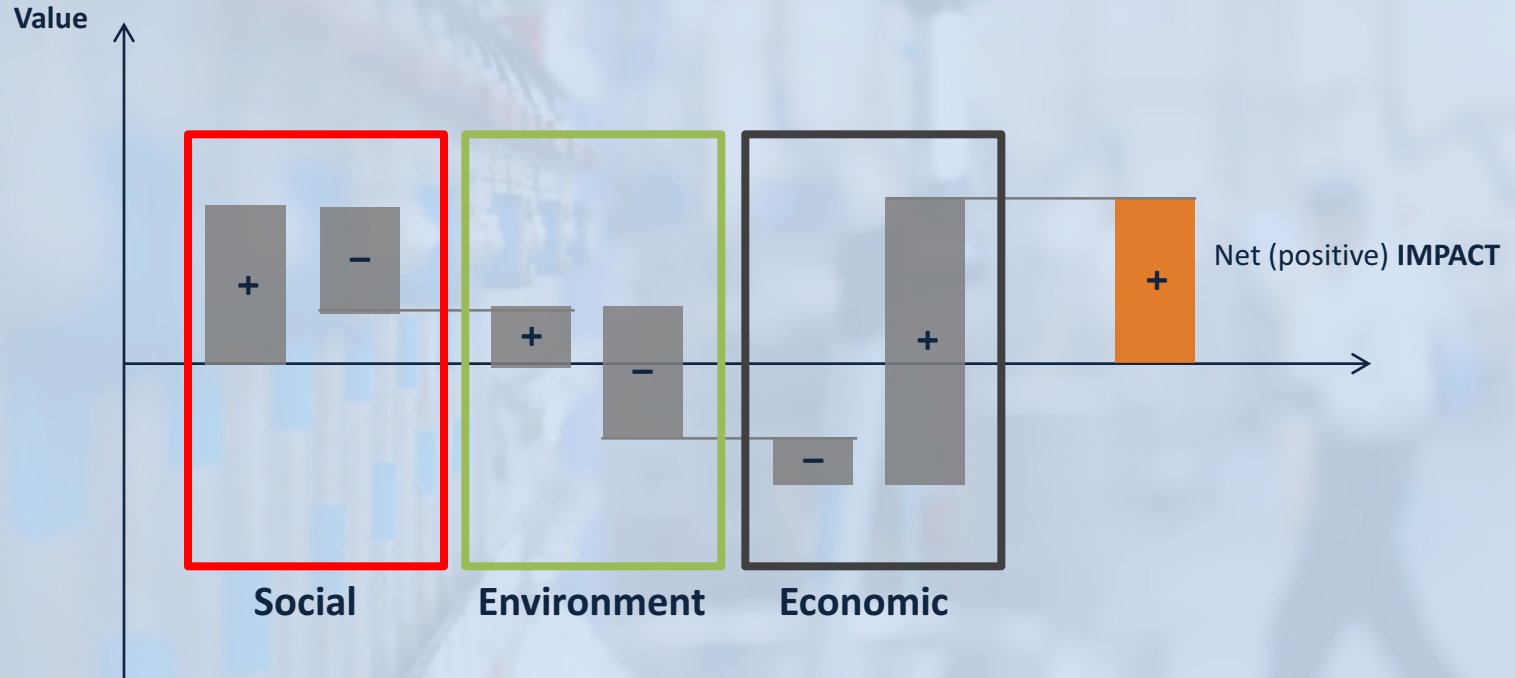
1. **Health and Safety activities** (scope limited to Firmenich employees)
2. **Nutrition project** (impact focused on specific sugar replacement flavors)
3. Rural development for vetiver supply in Haiti:
 - **School infrastructure**
 - **Farmers' premium**
 - **Fuel substitution project***
 - **Lighting project***
 - **Water and sanitation project***
(Cooperative development fund)

ENVIRONMENT

1. On-site energy and water consumption, waste treatment
2. Raw materials production (supply chain)

IMPACT VALUATION STUDY: METHOD

Redefining value

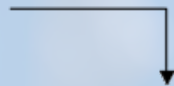


IMPACT VALUATION STUDY: METHOD

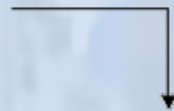
Health and safety -- cause chain effect



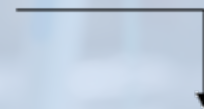
OHS policies
redaction
OHS budget



Internal
communications
Employee training
Site managers
incentives



of employees
trained



Lower incident rate
and days lost

→ Higher quality of
life

IMPACT VALUATION STUDY: RESULTS

Global results

- Health and Safety ***



Indirect environmental externalities



Direct environmental externalities



- Health and Safety**

Haiti Project

- Farmer's premium



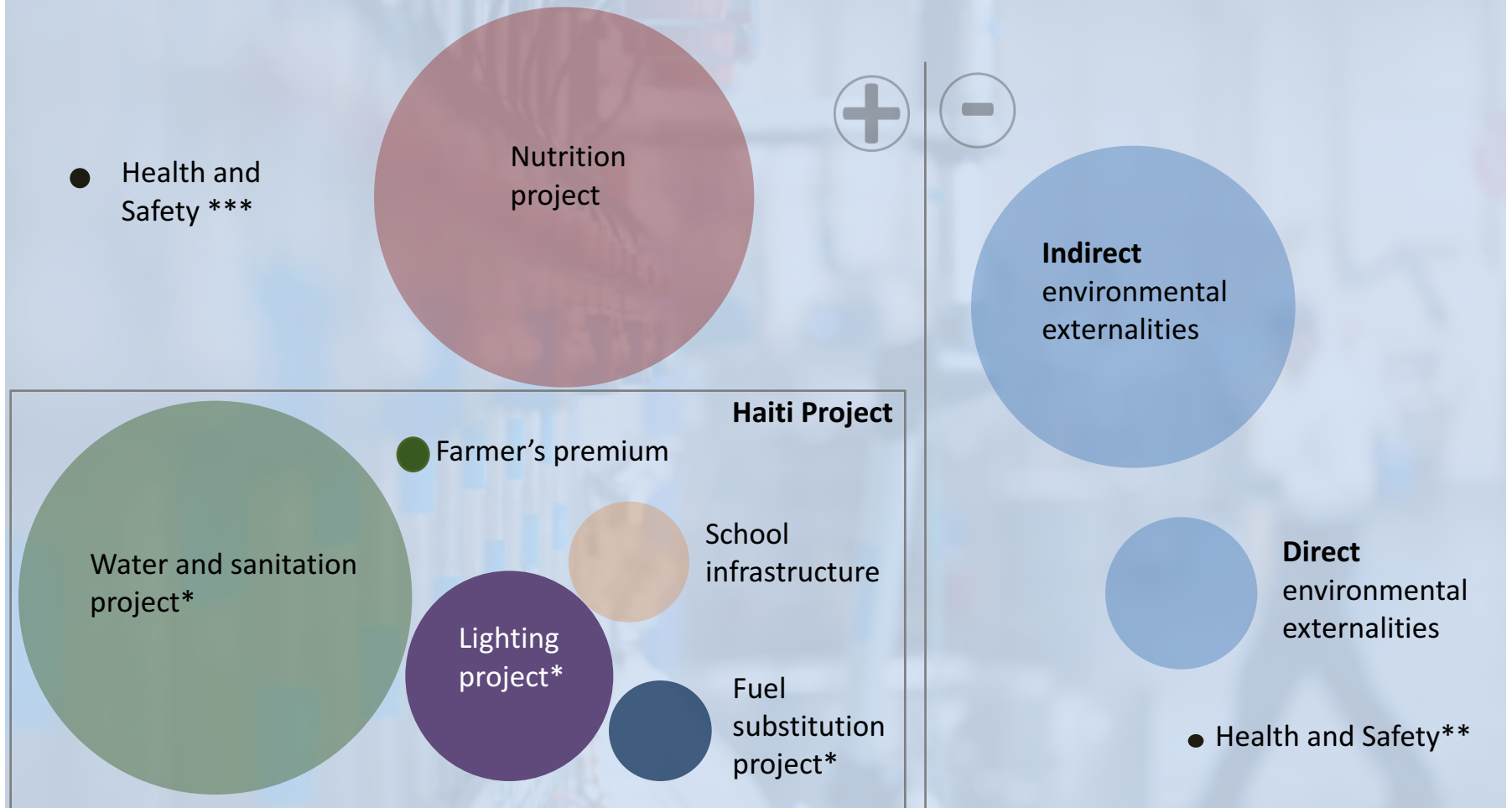
School infrastructure

Note: all values from Haiti projects are in net present values without discounting. We attributed the total benefit from the activity to the reference year where the activity took place (e.g. school infrastructure building). On the other side, environmental externalities, H&S and nutrition projects impact will happen every year. There is no standard way to account for value creation for the moment.

*Potential future projects, ** reference flow baseline results. *** Consequential baseline results. All values in CHF Purchasing Power Parity (PPP). Assuming same PPP between USA and Switzerland.

IMPACT VALUATION STUDY: RESULTS

Global results – with potential projects



*Potential future projects, ** reference flow baseline results. *** Consequential baseline results.
All values in CHF Purchasing Power Parity (PPP). Assuming same PPP between USA and Switzerland.

IMPACT VALUATION STUDY: KEY TAKEAWAYS

Conclusion & next steps

- **Analysis:** Continuous need for additional primary data
- **Results:**
 - Number of people impacted and ROI
 - Environ. externalities vs. social projects' potential impacts
- **Next steps**
 - Allow to plan and manage future activities
 - Help assess our sustainability goals
 - Aligned with our 2020 Targets

Thank you

Firmenich